Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-26/2016.AS.II   Dated: 07.06.2017

To

M/s Sistema Shyam TeleServices Limited
334, Udyog Vihar,
Phase-IV, Gurgaon-122001

{Kind Attn: Ms Neera Sharma, Chief Legal & Regulatory Officer}

Subject: Implementation of Hon'ble Supreme Court order dated 06.02.2017 passed in Writ Petition (C) No. 607/2016 filed by Lokniti Foundation v/s UoI regarding 100% E-KYC based verification of existing mobile subscribers.

This is in reference to M/s SSTL letter no. SSTL/Reg/DOT/1704/501 dated 19.04.2017 on the above mentioned subject requesting DoT to exempt M/s SSTL from implementing the instructions for re-verification of existing mobile subscribers citing the reasons of merger of telecom business of M/s SSTL with M/s RCOM.

2.   In this regard, the undersigned is directed to state that M/s SSTL must comply with the DoT instructions till the merger is taken on record. Further, the merger process is sub-judice, M/s SSTL cannot be exempted from the implementing the instructions.

(Prashant Verma) 07/06/17
ADG (AS-II)
Tele No.: 011-23354042

Copy to: Sr. DDG (TERM), DoT for kind information please.

O MTS

SSTL/Reg/DOT/1704/501
19th April, 2017

Mr PK Mittal
Sr. DDG [AS]
Department of Telecommunications,
Ministry of Communications,
20, Ashoka Road, Sanchar Bhawan,
New Delhi-110001

Subject: Implementation of final order and judgement of Hon'ble Supreme Court dated 6th February 2017 ("SC Judgment") in WP (C) titled Lokniti Foundation vs Union of India regarding 100% E_KYC based re-verification of existing subscribers.

Dear Sir,

1. Reference is made to Letter No. 800-26/2016 –AS.II dated 23rd March 2017 ("DoT Letter"); directing the Licensees to undertake re-verification of the existing subscribers through Aadhar based E-KYC Process in compliance with the SC Judgment.

2. In this regard please note that SSTL is in the processing of transferring its telecom business to RCOM under a court approved Scheme of Arrangement ("Transaction").

3. The Transaction was sanctioned by the Honble High courts of Rajasthan and Bombay vide their orders dated 30.09.2016 and 07.10.2016 respectively.

4. Thereafter, RCOM and SSTL vide letter no. RCL-SSTL/DoT/16-17/7276 dated 04.11.2016 ("Approval Request Letter") submitted a joint request to DoT for granting approval to Transaction in accordance with extant M&A guidelines. The conditional Approval dated 22.03.2017 issued by DOT is subject matter of proceedings Pending before Hon'ble TDSAT and upon adjudication of said Proceedings the merger is expected to be consummated with-in a short period of time .

5. Upon consummation of the Transaction (after receipt of the DoT Approval), the unified license and the access services authorization held by SSTL in Delhi, Gujarat, Karnataka, Kerala, Kolkata, Tamil Nadu, UP (West) and West Bengal service area ("LSA") will be cancelled and assets and liabilities of SSTL in these LSA will be transferred to the respective licenses held by RCOM.

6. As part of the merger transaction, the subscribers of SSTL would also be transferred to RCOM and would be re-verified as part of RCOM subscriber base once the merger is consummated.

In view of the foregoing, as the Transaction is in the final stages of completion, you are requested to exempt SSTL from implementing the instructions.

Thanking You,

Yours Faithfully,
For **Sistema Shyam TeleServices Limited**

Neera Sharma
Neera Sharma
Chief Legal & Regulatory Officer

CC:- Sr.DDG [TERM], DOT HQ

Dr/ASIS Pl inform that till merger is taken on record they must Comply. The merger process is sub judice & SSTL cannot be exempted. Pl give copy to Sr DDG (TE[

Nf 20/04/17 ADh (AS-II)

Sistema Shyam TeleServices Limited

Corp.Office : 334, Udyog Vihar, Phase-IV, Gurgaon - 122001, Tel: 0124-4812500, Fax: 0124-4812825.

Regd.Office: 3, MTS Tower, Amrapali Circle, Vaishali Nagar, Jaipur - 302021. CIN: U64201RJ1995PLC017779,
Tel: 0141-5100343, Fax: 0141-5100390, Email: customercare@mtsindia.in, Web: www.mtsindia.in

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-26/2016.AS.II   Dated: 29.05.2017

To

The Chief Executive Officer
Unique Identification Authority of India,
3rd Floor, Tower II, Jeevan Bharati Building,
Connaught Circus, New Delhi - 110001

Subject: UIDAI instruction on upgradation of existing biometric devices for authentication to registered devices-reg.

This Department is in receipt of references from Telecom Service Providers on the above mentioned subject, wherein, issues regarding non-availability of certified biometric devices for authentication and transition from existing devices to registered devices as per the timeline defined by UIDAI in its instructions have been raised.

2.   It has been reported that registered authentication devices in sufficient numbers are not available in the market and discontinuation of existing devices in a short period w.e.f. 01.06.2017 will have adverse effects on the re-verification exercise as well subscribers acquisition through Aadhaar based E-KYC process.

3.   As such, the timelines defined by UIDAI for transition from existing authentication devices to registered devices may have serious implications on the re-verification exercise to be carried out by the TSPs in compliance to the directions of Hon'ble Supreme Court by 06.02.2018. Hence, it is requested to extend the timelines of complete transition to registered devices by a minimum period of 4 months which would enable TSPs to transit to registered devices without disrupting the re-verification exercise.

Vivek
29/05/2017
(Vivek Srivastava)
Director (AS-II)
Tele No.: 011-23036869

RJIL/DoT/2017-18/183

May 3, 2017

240147/2017/UR

03/8/17

Secy (T)

4606/7/ CP/2012

03/05/17

To,

Secretary (Telecom) & Chairman (Telecom Commission),
Department of Telecommunications,
Ministry of Communications & IT,
2nd Floor, Sanchar Bhawan,
20, Ashoka Road, New Delhi- 110001

M(T)

Sr. DDG(AS)

Subject: Unique Identification Authority of India (UIDAI) instruction on upgradation of existing biometric devices for authentication to registered devices -reg.

Reference:
1. DoT instructions dated 16.08.2016, on use of 'Aadhaar' e-KYC service of Unique Identification Authority of India (UIDAI) for issuing mobile connections to subscribers.
2. DoT instructions dated 23.03.2017 on reverification of mobile subscribers.
3. UDAI letter to all AUA/ASAs No. K-11020/44/2012-UIDAI (Auth-I) dated 25.01.2017.
4. UDAI letter to all AUA/ASAs No. K-11020/44/2012-UIDAI (Auth) dated 28.02.2017 on procurement of registered devices for Aadhaar authentication.
5. UDAI circular No. K-11020/44/2012-UIDAI (Auth) dated 12.04.2017

Dear Sir,

1. Reliance Jio Infocomm Limited ("RJIL"), has always been a supporter of Aadhaar based subscriber verification process. RJIL has one of the largest deployment of finger print biometric devices for Aadhaar based subscriber onboarding and verification, among all telecom service providers and RJIL is carrying out majority of new subscriber verification, as per the Aadhaar based process defined vide DoT instructions dated 16.08.2016. RJIL is also committed to reverify all the subscribers verified by other modes in compliance with DoT instructions dated 23.03.2017.

2. We bring your kind attention to the above mentioned UIDAI instructions to upgrade all existing biometric devices to registered devices by 31.05.2017 for security reasons. We submit that RJIL is fully committed to enhancing the security features by use of registered devices and it has already deployed highest level of security protocols in its systems installed for Aadhaar based authentication and eKYC.

3. Further, in order to comply with UIDAI instructions, RJIL has been actively pursuing with all Biometric Devices original equipment manufacturers ("OEM") for registering the devices and seamlessly transitioning to registered devices as per UIDAI timeline of 01.06.2017. However, we are constrained to submit that as on date there are no devices available which are UIDAI / STQC certified, per the new scheme. Further the OEMs have neither been able to provide RJIL with the SDK for transitioning into
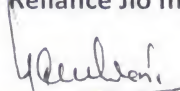
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ADG(AS)

Registered Devices for testing purposes nor have they been able to communicate the dates by which the same will be available.

4. The OEMs have informed RJIL of various issues and challenges in meeting the UIDAI timelines. These issues range from frequent changes in specification and implementation requirements to software and testing issues and legal issues.

5. We submit that many unresolved and ongoing issues have prevented the availability of the registered devices, as of date. Further, once the devices are ready for testing, RJIL, as an AUA, will require at least one month to test with the devices in pre-production environment before making it live on the ground. Further, the on-ground testing optimization and deployment is likely to take another 3 months.

6. Additionally, we bring to your kind attention the fact that as the entire telecom industry is moving towards Aadhaar based subscriber onboarding and verification for all existing and new subscribers, the current timelines and the situation with registered devices will seriously impact the compliance with Hon'ble Supreme Court's order dated 06.02.2017. The existing telecom subscriber base of over one billion implies that millions of transactions will be required per day to reverify all subscribers in one year.

7. In view of the above, there remain major concerns regarding meeting the timelines in a secure and well tested manner. We are representing to UIDAI separately to extend the timelines of complete transition to registered devices by four months to 1st Oct 2017. We are apprising you of this impending issue and request your kind intervention with the UIDAI to extend the timelines by minimum four months. These measures would allow for a smooth transition to registered devices without disrupting business operations and the movement towards digital transactions that is currently underway. This will go a long way in achieving the national goals of 'Digital India' and 'cashless economy'.

For **Reliance Jio Infocomm Limited,**

Kapoor Singh Guliani
Authorised Signatory

Copy to: Sr. DDG (AS), Department of Telecommunications, Ministry of Communications & IT, 10th Floor Sanchar Bhawan, 20, Ashoka Road, New Delhi - 110001

Association of Unified Telecom Service Providers of India

AUSPI/13/2017/011   12th April, 2017

Shri PK Mittal,
Sr. DDG – AS,
Department of Telecommunications,
Sanchar Bhawan,20,
Ashoka Road,
New Delhi

Subject: **Re-verification of Existing Subscribers through Aadhaar based e-KYC**

Reference: **DoT Letter No. 800-26/2016-AS.II dated 23.03.2017 & 11.04.2017**

Dear Sir,

        Please refer to the DoT instructions of 23rd March, 2017 on Re-verification of existing subscribers through Aadhaar based e-KYC and subsequent clarifications of 11.04.2017.

2)   Our member service providers will carry out this re-verification exercise to the best of their ability and seek support on the following:

a. <u>Clause 9</u>: We appreciate that DoT has allowed the TSPs to do away with hard copies of CAFs of re-verified subscribers. The storage of CAFs after permanent disconnection of subscribers should be allowed in scanned form only and there is no need of keeping stored physical copies also. The time period for storage of CAF/ documents should be modified to a period of 1 year post the subscriber having churned out from the network. The said CAF's should be allowed to be destroyed thereafter unless directed otherwise by the licensor for specific cases. In this connection, please also refer ACT Letter No. ACT/2017/009 of February, 21, 2017.

b. <u>Clause 11:</u> As the additional verification by the employee of the Licensee in case of e-KYC based activations has been done away with for both new as well as for re-verification connections through Aadhaar based e-KYC. We request DoT to issue suitable instructions in this regard to the TERM Cells to ensure clarity and for a uniform approach.

c. <u>Clause 12:</u> With regard to the requirement of weekly reporting, we would like to submit that since the database of the TSPs are provided on monthly basis, this reporting should also be required to be done on monthly basis only. As the new connections acquired through e-KYC are being reported, we suggest that both these reportings should be combined and allowed in a single format. The data as of month end would be reported on the 10th of the subsequent month. The TSPs would start reporting the re-verified numbers from the month of April, i.e., the data for end of April 2017 would be reported on May 10, 2017 and so on.

B-601, Gauri Sadan, 5, Hailey Road, New Delhi - 110 001
Tel. : 23358585, 23358989 Fax : 23327397
E-mail : auspi@auspi.in Web : www.auspi.in

Page 1 of 2

d. **Annexure to Clause 6 (Suggested CAF)**: Point No 21: Requirement of IMSI would not be available in case of re-verified customers as there is no new SIM provided. The IMSI of the original SIM in the system being provided as and when required. Hence, there should be no requirement of IMSI.

e. Though the intention of the DoT instructions is to complete the 100% e-KYC based re-verification of all existing subscribers by February 6, 2018, it may not be feasible to complete the exercise for all subscribers within one (01) year time frame as prescribed by the DoT, due to various impediments as follows:

   i. **Outstation Subscribers through Aadhaar based e-KYC:** Presently, Aadhaar based e-KYC verification is not allowed for outstation subscribers (which is a significant portion of subscriber base). In our various submissions earlier, we have stated that there seems to be no valid reason to restrict the Aadhaar based e-KYC process for issuance of SIM card for mobile connection to the home state where the subscriber is registered and disallow its usage in any location outside the home state. More so when the Aadhaar based e-KYC is a safe and secure way of verifying a customer irrespective of his home location. The DoT instructions mention that guidelines on Aadhaar based e-KYC process for issuance of SIMs for obtaining mobile connections to outstation subscribers will be issued separately, we submit that this be issued at the earliest.

   ii. **Bulk Connections through Aadhaar based e-KYC:** The DoT instructions also mention that guidelines on Aadhaar based e-KYC process for issuance of SIMs for obtaining bulk connections (company owned connections) will be issued separately, we submit that this be issued at the earliest.

   iii. **Aadhaar based e-KYC not feasible in case of Foreign Nationals:** We submit that the Aadhaar based e-KYC verification cannot be made applicable for foreign nationals, hence, they need to be exempted from the list.

   iv. Aadhaar penetration in Assam is quite low and in some other states, it is below 85%.

Our member service providers would carry out the re-verification exercise to the best of their ability and hope that our above submission would be considered favourably.

Thanking you,

Yours sincerely,

Ashok Sud
Secretary General
Mob: 9312941515

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-26/2016-AS.II   Dated: 11.04.2017

To

**All Unified Licensees (having Access Service Authorization)/ Unified Licensees (AS)/
Unified Access Services Licensees/ Cellular Mobile Telephone Service Licensees.**

**Subject: Implementation of orders of Hon'ble Supreme Court regarding 100% E-KYC
based re-verification of existing subscribers- regarding**

This is in reference to this office letter of even number dated 23.03.2017 on the above mentioned subject vide which instructions for 100% E-KYC based re-verification of existing subscribers were issued.

2.   The para 7 of instructions dated 23.03.2017 shall be replaced by following para as mentioned below:

"7.   The Licensee may also re-verify more than one mobile connection issued by it in one Licensed Service Area to a subscriber (not bulk connections) through a single E-KYC process as mentioned above. However, to check the physical possession of all such connections by the subscriber, 'verification code' shall be verified on each mobile connection separately and confirmation through SMS post E-KYC process shall be sought from the subscriber for each mobile connection separately. Further, separate CAF shall be there corresponding to each mobile connection."

3.   The entry at point no. '1B' in sample CAF (annexed as Annexure-1) marked for noting/capturing unique acknowledgment receipt number in instructions dated 23.03.2017 shall be deleted.

4.   For incorporating the above two effects, the sample CAF annexed with the instructions dated 23.03.2017 shall be replaced by the sample CAF annexed with this letter as **Annexure-1**.

5.   The instructions dated 23.03.2017 shall be modified to the above extent only and the other terms and conditions of instructions dated 23.03.2017 shall remain unchanged.

(Prashant Verma) 11/04/17
ADG (AS-II)

Copy to:
1. Secretary, TRAI, New Delhi.
2. DG, UIDAI, New Delhi.
3. JS(IS-I),MHA, North Block, New Delhi.
4. Sr. DDG (TERM), DoT HQ.
5. All DDsG TERM Cells.
6. COAI/AUSPI.

COAI

Shri PK Mittal,
Sr. DDG – AS
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road,
New Delhi – 110 001

Subject: Re-verification of Existing Subscribers through Aadhaar based e-KYC

REFERENCE: DoT Letter No. 800-26/2016-AS.II dated March 23, 2017

Dear Sir,

1. This is with reference to the instructions issued by DoT on Re-verification of existing subscribers through Aadhaar based e-KYC.

2. We acknowledge that Aadhaar based e-KYC process has helped utilizing latest technology based methods for improving the effectiveness and quality of the customer acquisition due to the authentication procedure and the system being more robust. We submit that in view of the Hon'ble Supreme Court Order and the instructions issued by DoT, our member operators will embark on the journey and put in their best efforts to carry out this re-verification exercise.

3. In this regard, we also look forward to the support of DoT in the following:

    a. **Clause 7**: The TSPs are allowed to re-verify multiple connections of a single individual through a single biometric re-verification. On similar lines, multiple new mobile connections activations for a single individual (while complying to the DoT's norms on maximum mobile connection for a single individual), a single bio-metric e-KYC should also be allowed.

    b. **Clause 9**: We appreciate that DoT has allowed the TSPs to do away with hard copies of CAFs of re-verified subscribers. In this regard, we would like to bring to your notice our submissions vide our letter no. ACT/2017/009 February 21, 2017 on the storage of CAFs after permanent disconnection of subscribers. Vide our submission we had stated that these CAF's should be allowed to be stored in scanned form only and the need to have physical copies stored should be done away with also. Also, the time period for storage of CAF/ documents should be modified to a period of 1 year post the subscriber having churned out from the network. The said CAFs should be allowed to be destroyed thereafter unless directed otherwise by the licensor for specific cases.

    c. **Clause 11**: This clause states that additional verification by the employee of the Licensee in case of e-KYC based activations has been done away with. We thank DoT for doing away with this requirement for both new as well as re-verification connections through Aadhaar based e-KYC. We also request that suitable instructions in this regard be communicated to the TERM Cells by DoT to ensure clarity and for a uniform approach.

COAI

d. **Clause 12:** With regard to the requirement of weekly reporting, we would like to submit that since the database of the TSPs is provided on a monthly basis, this reporting should be required to be done on a monthly basis only. Presently, the new connections acquired through e-KYC are being reported, we suggest that both these reporting should be combined and be allowed to be submitted in a single format. A suggested format for the same is enclosed for your ready reference. The data as of month end would be reported on the 10th of the subsequent month. The TSPs would start reporting the re-verified numbers from the month of April, i.e., the data for end of April 2017 would be reported on May 10, 2017 and so on. DoT vide its e-mail dated April 5, 2017 has circulated a format for weekly reporting. We submit that this reporting be made monthly and in the format suggested by us. We thus request you to kindly revise the referred mail.

e. **Annexure to Clause 6 (Suggested CAF):**

    i. We understand that point 1.b. in the CAF is inadvertently added as the same has been removed from the CAF for new connections activated through Aadhaar based e-KYC. The same may be modified accordingly.

    ii. Since multiple mobile numbers are allowed to be re-verified through a single e-KYC process, at the beginning of the CAF, there is an option for 'Mobile Numbers', however, the same is not mentioned in point no 22 and we submit that the TSPs will capture the same numbers in point 22 also.

    iii. Point No 21, which is the requirement of IMSI would not be available in case of re-verified customers as there is no SIM provided in this case. The IMSI of the original SIM is already present in the system and is being provided as and when is required. Hence, there should be no requirement of IMSI.

f. Though the intention of the DoT instructions is to complete the re-verification of all existing subscribers by February 6, 2018, some of the impediments in this will be as follows:

    i. **Outstation Subscribers through Aadhaar based e-KYC:** Presently, Aadhaar based e-KYC verification is not allowed for outstation subscribers (which is a significant portion of subscriber base). In our various submissions earlier, we have stated that there seems to be no valid reason to restrict the Aadhaar based e-KYC process for issuance of SIM card for mobile connection to the home state where the subscriber is registered and disallow its usage in any location outside the home state, more so when the Aadhaar based e-KYC is a safe and secure way of verifying a customer irrespective of his home location. The DoT instructions mention that guidelines on Aadhaar based e-KYC process for issuance of SIMs for obtaining mobile connections to outstation subscribers will be issued separately, we submit that this be issued at the earliest.

    ii. **Bulk Connections through Aadhaar based e-KYC:** The DoT instructions also mention that guidelines on Aadhaar based e-KYC process for issuance of SIMs for obtaining bulk connections (company owned connections) will be issued separately, we submit that this be issued at the earliest.

    iii. **Aadhaar based e-KYC not feasible in case of Foreign Nationals:** We submit that the Aadhaar based e-KYC verification cannot be made applicable for foreign nationals, hence, they need to be exempted from the list.

iv. Apart from the above, we would also like to mention that Aadhaar penetration in certain service areas like Assam is very low. As per data on UIDAI website (as on 15th March 2017) this stands at 7% and 9% respectively for these two states. Similarly, in other states too as can be seen from the data from UIDAI website, the Aadhaar penetration is below 80%. While our member TSPs will be putting in their best efforts to get the re-verification of all existing subscribers completed through Aadhaar based e-KYC as specified in these instructions, it is imperative that Aadhaar penetration is increased rapidly so that the subscribers can be verified in a timely manner. We trust this fact will be duly acknowledged in future and doesn't become an impediment in achieving the end objective.

g. We would also like to submit that looking at the volume of existing non e-KYC subscribers, and more importantly given that the industry is adding about 40 mn gross new subscribers every month, approximately 15 mn new paper CAFs, which will translate to 150 mn paper CAFs till February, 2018 which will again have to be re-verified based on e-KYC. Thus, the intent of 100% base being e-KYC verified will be left meaningless and will become a never ending exercise. Despite the intent of the industry to achieve 100% of base being e-KYC, the end result may not be achieved. Even with current numbers, the industry would be re-verifying over 900 mn subscribers, which will be costing the industry over INR 2500 Crores and huge monumental effort, which seems almost unachievable within 1 year period.

Despite the above, we once again submit that the industry is committed to putting their best possible efforts in this exercise and we also hope that our above submissions will merit your kind consideration.

Regards,

Rajan S. Mathews
Director General

CC   : Shri G.K. Upadhyay, Member – T, DoT
       : Shri Prashant Verma, ADG(AS-II), DoT

SUGGESTED REPORTING FORMAT

Re-Verification of Existing Subscribers - Status as on Month End

Sl. No.	Company	Total Subscriber Base as on April 30, 2017	No. of subscribers acquired through e-KYC since August 16, 2016	No. of subscribers to be re-verified through e-KYC	No. of subscribers re-verified through e-KYC in the last month	Total No. of subs re-verified through e-KYC since April, 2017 till the last month	% of subs re-verified till Date
		A	B	C A - B	D	E	F (E/C) *100
1	Circle 1						
2	Circle 2						
.	.						
.	.						
.	.						
n	Circle n						
	Total						

D & E will remain same for the month of April, 2017

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-26/2016-AS.II   Dated: 23.03.2017

To

All Unified Licensees (having Access Service Authorization)/ Unified Licensees (AS)/ Unified Access Services Licensees/ Cellular Mobile Telephone Service Licensees.
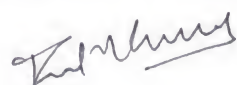
Subject: Implementation of orders of Hon'ble Supreme Court regarding 100% E-KYC based re-verification of existing subscribers- regarding

Hon'ble Supreme Court, in its order dated 06.02.2017 passed in Writ Petition (C) No. 607/2016 filed by Lokniti Foundation v/s Union of India, while taking into cognizance of "Aadhaar based E-KYC process for issuing new telephone connection" issued by the Department, has inter-alia observed that "*an effective process has been evolved to ensure identity verification, as well as, the addresses of all mobile phone subscribers for new subscribers. In the near future, and more particularly, within one year from today, a similar verification will be completed, in case of existing subscribers.*" This amounts to a direction which is to be completed within a time frame of one year.

2.   A meeting was held on 13.02.2017 in the Department with the telecom industry wherein UIDAI, TRAI and PMO representatives also participated to discuss the way forward to implement the directions of Hon'ble Supreme Court. Detailed discussions and deliberations were held in the meeting. The suggestions received from the industry have been examined in the Department.

3.   Accordingly, after taking into consideration the discussions held in the meeting and suggestions received from telecom industry, the undersigned is directed to convey the approval of competent authority that all Licensees shall re-verify all existing mobile subscribers (prepaid and postpaid) through Aadhaar based E-KYC process as mentioned in this office letter no. 800-29/2010-VAS dated 16.08.2016. The instructions mentioned in subsequent paragraphs shall be strictly followed while carrying out the re-verification exercise.

4.   All Licensees shall intimate their existing subscribers through advertisement in print/electronic media as well as SMS about the orders of Hon'ble Supreme Court for re-verification activity and shall upload the complete details of this activity on their website.

5.   All Licensees shall device mechanisms to avoid public inconvenience as well as long public queues. For this, the Licensees shall use/share common device eco-system through mutual agreements between them.

6.   For re-verification through Aadhaar based E-KYC process, the Licensee shall send a 'Verification Code' to the mobile number of the subscriber. Before initiating the E-KYC process, the Licensee shall verify the 'Verification Code' from the subscriber so as to confirm that the SIM card of mobile connection is physically available with the subscriber. Only after this activity, the Licensee shall proceed for E-KYC process. After completion of E-KYC process, before updating or overwriting the old subscriber detail in database with data received through E-KYC process, the Licensee shall seek confirmation from subscriber about the re-verification of his/her mobile number after 24 Hours through SMS. If the subscriber does not respond within 3 daylight hours to SMS, the Licensee shall treat re-verification as positive and overwrite the subscriber database by E-KYC process data. A sample Customer Application Form (CAF) for re-verification is annexed as **Annexure-I**.

7.   The Licensee may also re-verify more than one mobile connection issued by it in one Licensed Service Area to a subscriber (not bulk connections) through a single E-KYC process as mentioned above. The mobile number of each connection shall be mentioned clearly at the top of CAF below 'Type of Connection' as mentioned in sample CAF annexed at Annexure-I. However, to check the physical possession of all such connection by the subscriber, 'verification code' shall be verified on each mobile connection separately and confirmation through SMS post E-KYC process shall be sought from the subscriber for each mobile connection separately.

8.   The mobile connections which are used for data services only by the subscriber i.e., on which facility of incoming calls/SMS are not available, physical possession of SIM card of such connections by the subscriber shall be verified through sending 'verification code' on alternate mobile number submitted by the subscriber (while issuing the connection initially), before following E-KYC process.

9.   Once a subscriber is re-verified and the details in subscriber base are updated successfully as per the E-KYC process, the Licensee can destroy the old CAFs of such re-verified subscriber unless the Licensee is directed to preserve the same by the Licensor or Law Enforcement Agencies or Judicial forums.

10.   For issuing additional mobile connection to a re-verified subscriber, the Licensee shall follow separate E-KYC process. However, verification of a subscriber is not required in prepaid to postpaid conversion or vice-versa.

11.   In partial modification of instructions issued for Aadhaar based E-KYC process vide letter no. 800-29/2010-VAS dated 16.08.2016, the additional verification by the employee of the Licensee before activation of the mobile connection, is not required.
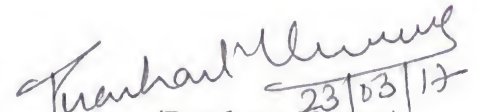
12.   The Licensee shall submit the subscriber database of re-verified subscribers through E-KYC process weekly to the concerned TERM Cell and such subscriber shall be flagged as "re-verified" in the monthly subscriber database submitted to TERM Cells. In addition to this, the Licensee shall also submit the LSA-wise details regarding number of total subscriber and number of re-verified subscribers to the undersigned (on e-mail id: adetas2.hq-dot@nic.in) weekly.

13.   No penalty shall be imposed by TERM Cells for change in subscriber details viz. name, address, etc., of a mobile connection on account of above mentioned re-verification activity.

14.   The instructions for use of E-KYC process in case of outstation customers and bulk connections shall be issued separately.

15.   The Licensee shall follow the above instructions strictly and should complete the re-verification exercise of existing subscribers before **06.02.2018**.

16.   The subscriber acquired through Proof of Identity/Proof of Address (PoI/PoA) documents based process during the period of this re-verification activity shall also be re-verified though E-KYC process. For this, the Licensee, at the time of issuing connection to such subscribers, shall intimate the subscribers about this re-verification activity.

(Prashant Verma)
ADG (AS-II)
Tele No.: 23354042/23036580

Copy to:

1. Home Secretary, Ministry of Home Affairs, New Delhi.
2. Secretary, TRAI, New Delhi.
3. DG, UIDAI, New Delhi.
4. JS, PMO, South Block, New Delhi.
5. Sr. DDG (TERM), DoT HQ.
6. All DDsG TERM Cells.
7. All Directors in AS Cell.
8. COAI/AUSPI.

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-29/2010-VAS(Vol.I)   Dated: 23.02.2017

To
        The Joint Secretary (IS-I)
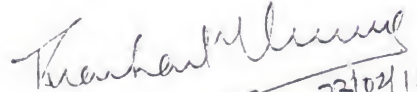   MHA, North Block,
        New Delhi.

Subject: Use of 'Aadhaar' E-KYC service of Unique Identity Authority of India (UIDAI) for issuing telephone connections to subscribers- extending the use of process for outstation customers.

        This is in reference to this office letter of even number dated 17.01.2017 (copy enclosed) vide which proposal regarding use of Aadhaar based E-KYC process for outstation customer was sent to MHA/IB for concurrence. The response from MHA/IB is still awaited.

2.   It is requested to kindly expedite the response so that the Department may take necessary action for allowing use of Aadhaar based E-KYC process for outstation customer also.

This is issued with the approval of competent authority.

Encl.: As above.

                                                    (Prashant Verma) 23/02/17
                                                    ADG (AS-II)

Copy to: The Joint Director, Intelligence Bureau, 35, SP Marg. New Delhi.

Government of India
Ministry of Communications
Department of Telecommunications
Access Services Cell
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001

File No: 800-29/2010-VAS

Dated: 16.08.2016

To

All Unified Licensees (having Access Service Authorization)/ Unified Licensees (AS)/ Unified Access Services Licensees/ Cellular Mobile Telephone Service Licensees.
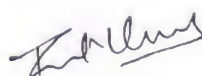
Subject: Use of 'Aadhaar' e-KYC service of Unique Identity Authority of India (UIDAI) for issuing mobile connections to subscribers.

After successful completion of Proof of Concept to use 'Aadhaar' electronic-Know Your Customer (e-KYC) service for issuing mobile connections to subscribers, it has been decided to launch the 'Aadhaar' e-KYC service across all the Licensed Service Areas including J&K, North East and Assam for issuance of mobile connections as an *alternative process* to the existing PoI/ PoA document based processes.

2.   In the e-KYC service, customer will online authorize UIDAI through Aadhaar authentication using Aadhaar number and biometrics to provide his/her demographic data (name of the customer, address, date of birth, and gender) along with his/her photograph (digitally signed and encrypted format) to Licensees. As per UIDAI, digitally signed electronic KYC data provided by UIDAI is machine readable, making it possible for the Licensees to directly store it as the customer record in their database for purposes of issuing a mobile connection.

3.   As per license conditions, the Licensees are allowed to appoint or employ franchisee, agents, distributors and employees for provision of the service by them. The Licensee shall keep proper control over them and the Licensee shall be liable for the acts done by its franchisee, agents, distributors and employees in the provisioning of service.

4.   The Point of Sale (POS) used in these instructions shall be franchisee, agent or distributor of Licensee in addition to its employee.

5.   The following procedure is to be followed while issuing mobile connections using e-KYC service:

(i)   The Licensees shall maintain the details including complete address and code of its all points of sale along with names and Aadhaar number of corresponding agents. Licensees shall have capability of populating the details of its Point of Sale (POS)/ agent in the Customer Application Form (CAF) format annexed as Annexure-I with these instructions on the basis of demographic details of agent of POS received from UIDAI.

(ii) Customer desirous of purchasing mobile connection shall visit an authorized POS of Licensees. Thereafter, authorized agent of point of sale of Licensee shall online authorize UIDAI through Aadhaar authentication using Aadhaar number and biometrics i.e. his/her finger(s) or iris to provide his/her demographic data (name, complete address, date of birth, gender & photograph) to the Licensee. UIDAI shall transfer the same in a digitally signed and encrypted format along with Aadhaar Number to the Licensee.

(iii) After verification of the agent of its POS by Licensee on the basis of his/ her demographic details received by Licensee from UIDAI, a CAF as annexed with these instructions shall get displayed by Licensee on the terminal of POS and details of point of sale/agent as required in the prescribed CAF format enclosed as Annexure-I shall get populated by Licensee in read only and un-editable form. In addition, Aadhaar number of agent of POS and unique e-KYC response code along with date & time stamp received from UIDAI in respect of biometric authentication of POS agent shall also be populated by Licensee in CAF in read only and un-editable form.

(iv) Until and unless the agent of POS is authenticated by Licensee using his/her biometric details through UIDAI as above, no CAF shall get displayed by Licensee on the screen of concerned POS.

(v)   In the similar manner/ fashion, the customer desirous of purchasing mobile connection shall also online authorize UIDAI through Aadhaar authentication using Aadhaar number and biometrics i.e. his/her finger(s) or iris to provide his/her demographic data (name, complete address, date of birth, gender, photograph) to the Licensee and UIDAI shall provide the same in a digitally signed and encrypted format along with Aadhaar Number to the Licensee. The demographic details of customer received from UIDAI shall automatically get populated by the Licensee in read only and un-editable format on the already displayed CAF format on POS terminal, as required in the CAF format enclosed as Annexure-I with these instructions. Rest of the fields like 'Name of Father/Husband', 'Nationality', etc., in CAF enclosed as Annexure-I shall be entered by authorized agent at POS on the basis of information furnished by customer.

(vi) The authorized agent at PoS shall record in the CAF that he has seen the customer and matched the customer with customer's online photograph received from UIDAI. He will also certify that Subscriber Identification Module (SIM) has been handed over to the concerned customer only.

(vii) **DECLARATION BY THE SUBSCRIBER:** After completion of above activity, the subscriber will be required to declare that:

  a. The information provided by him and the data received from UIDAI in his respect is correct.

  b. His biometric authentication can be treated as his signature.
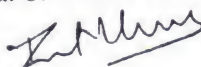
  c. He has received the SIM card.

For this declaration, the subscriber will be once again authenticated through his Aadhaar number and biometrics i.e. his/her finger(s) or iris, however this time the response from UIDAI will only be in the form of success or fail. The LICENSEE server will be required to make a check, that the Aadhaar number now entered by the subscriber is same as was entered by him earlier, prior to capturing biometrics at this stage.

(viii) Only after the completion of above steps, the CAF details so captured on terminal may be submitted online to Licensee for updating the database of Licensee. The Licensee shall place such a system in place that until all mandatory fields get completed in CAF, it will not allow online submission of the details for updation of Licensee database by POS.
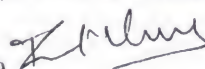
(ix) Before activation of the mobile connection, the licensee (the employee of Licensee) shall check that all the entries in the Licensee's database for the respective customer are complete and there is no error apparent on the face of records of the customer in the database. The Licensee shall place such system in place that name and designation of the employee of the Licensee, who is activating the SIM on behalf of the Licensee, and also date and time of checking customer records shall be populated/ entered in the database records of the customer in read only and un-editable form. Only after this activity has been done the SIM card can be activated. The employee of licensee who is activating the SIM card shall also enter as an optional field in the database about details of Add-on/Value added facilities (like Internet, 3G, Call transfer facility, GPRS, navigation, tariff plan etc.) activated on SIM card before activation of the connection.

(x) Pre-activated SIM Card is not to be sold. In case of sale of pre-activated SIM cards, penal action as per the prevailing instructions shall be taken including immediate disconnection of mobile connection, as and when detected. Pre-activated connection means that the SIM card available at point of sale or in possession of any other person is in such a condition that it is possible to make/ receive calls/SMS without activation as per procedure mentioned in these instructions. Further, in case it is established that the date & time of activation of SIM Card is prior to actual sale of SIM card, then it shall be treated as a sale of pre-active connection. For this purpose, the date & time of successful subscriber's biometric authentication response received from UIDAI during declaration shall be treated as date & time of actual sale of SIM card.

(xi) The CAF for next connection shall be opened only after the process for one connection is completed and CAF displayed at the terminal of POS is closed by the agent. Thus, at

a time only one CAF will remain opened on the terminal of POS of Licensee and none of the case two CAFs shall remain opened at a time. The agent shall not be able to reopen the CAF once completed, closed and submitted.

(xii)   For every biometric/iris authentication (customer and POS's agent), UIDAI will give a unique response code with date & time stamp and will send the same to Licensee. All the response codes along with date & time stamp received by Licensee during the process shall be automatically captured in the relevant fields of CAF enclosed as Annexure-I and shall also be stored in database of Licensee.

6.   The Licensees shall have provision in Application for visual response in English / Regional language for the information of customer indicating success/ failure of biometric authentication of the customer. Such response should be visible to the customer at POS location.

7.   The finger print/iris data of customer/subscriber and POS's agent will nowhere be stored and displayed on the PoS device terminal in any format by Licensee or its authorized POS.

8.   The demographic data received from UIDAI shall be stored directly by the Licensee in its database as per the format defined in the prevailing guidelines. The digitally signed e-KYC response received from UIDAI must be stored & supplied as it is for audit purposes as per existing guidelines for CAF storage & supply respectively and should not be edited/ altered/changed/modified/overridden by the Licensee under any circumstances. Also, if for the Audit/investigation, the digitally signed e-KYC response received from UIDAI is not supplied to TERM Cell within given time frame (missing digitally signed e-KYC response cases). the connection shall be treated as pre-activated.

9.   POS shall access application hosted on Licensee's server. Licensee should ensure that the application shall not have capability to access local file system of the device at POS for either read or write with exception to only read access to device drivers and all process data should be accessed from Licensee's Server only. Licensee should ensure that the POS software application integrates with suitable STQC certified biometric devices, safeguards security of process data and is accessible only to authorized users. The application shall nowhere store any data including biometric information and should be compliant with Aadhaar e-KYC and Authentication service and Application Program Interface (API) specifications.

10.   Only one mobile connection should be provided against one set of authentications of customer & POS agent from UIDAI. For another mobile connection, subject to ceiling regarding bulk connections provided in instructions dated 09.08.2012, the entire process as above shall be repeated.

11.   The Licensee shall use appropriate encryption regime to ensure security of data-in-transit pertaining to e-KYC process (from UIDAI server to Licensee database and POS to Licensee's server), besides security of data-at-rest (at POS & Licensee nodes). For ensuring

privacy/data security requirement, Licensee shall use suitable mechanism/ IT infrastructure at POS & Licensee nodes which need to be regularly vetted by Licensee. The Licensees shall ensure compliance to confidentiality/ privacy/ security of customer information keeping in view the law of land and all the relevant license conditions. Any violation shall attract penalties/actions as per license conditions and law of the land.

12. There shall be an authentication time out of 30 seconds for every biometric authentication transaction. If no response is received within the timeout period, active transaction may be closed and the data captured in that transaction should be purged permanently.

13. The above mentioned e-KYC process is an alternative process in addition to the existing process of issuance of mobile connections to subscribers and shall not be applicable for bulk, outstation and foreign customers.
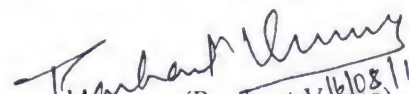
14. Instructions for audit by TERM (Telecom Enforcement, Resource and Monitoring) Cells in respect of customers activated through e-KYC process are being issued separately.

15. The sample copy of a typical CAF to be used showing the mandatory fields in * (asterisk) is enclosed as **Annexure-I.**

16. The Subscriber database to be submitted to the Licensor and Designated security agencies should contain all the fields mentioned in **Annexure-II.**

17. Because the hard copy of CAF is required by LEAs, it shall always be provided within the prescribed time frame.

18. All existing instructions in general and particularly those issued vide letter No. 800-09/2011-AS dated 09th August 2012 are modified to the above extent and all other instructions shall remain the same.

(Prashant Verma)
ADG (AS-II)

Copy to:
1. Secretary, Deptt. of Electronics & IT, New Delhi
2. DG & Mission Director, UIDAI, New Delhi.
3. Secretary, TRAI, New Delhi
4. DDG(TERM), DoT HQ, New Delhi
5. IS(IS-I), MHA, New Delhi.
6. All Directors of AS Cell, DoT HQ.
7. COAI/AUSPI.

COAI

RSM/COAI/2017/025
February 15, 2017

Shri J.S. Deepak, IAS
Secretary,
Department of Telecommunications
20, Ashoka Road, Sanchar Bhawan
New Delhi-110001

Subject: Reverification of Existing Subscribers Through AADHAR Based e-KYC

REFERENCES:

1. Joint Industry Meeting held at DoT on Monday, February 13, 2017.
2. Supreme Court order dated February 6, 2017 in writ petition(C) No. 607 of 2016

Dear Sir,

1. This is with reference to the meeting held on 13th Feb 2017 on the matter under reference. We thank DoT for inviting the industry feedback based on the points discussed at this meeting.

2. We would like to state that the existing verification process prescribed by DoT in 2012 is being diligently followed by the industry and the introduction of Aadhaar based e-KYC process has helped in utilizing latest technology based methods for improving the effectiveness of the procedure and making the system more robust.

3. We would like to submit that all existing subscribers of all the TSPs have been verified as per the existing guidelines issued by DoT in 2012, which were based on Hon'ble Supreme Court Order (Avishek Goenka PIL). During that time, various rounds of discussions were held between the Government and industry to formulate the process before submission to the Hon'ble Supreme Court. However, in the Lokniti Foundation writ petition, no discussions were held with the industry prior to making submissions to the Hon'ble Supreme Court.

4. Notwithstanding the above, the Industry is committed to putting best efforts to implement the order of the Hon'ble Supreme Court and in good faith will carry out the Aadhaar based e-KYC re-verification exercise. However, to meet the requirements of DoT and to carry out this exercise in a more effective manner, we would like to submit the following points, which were also raised during the meeting:

   a. **Presence of e-KYC facility at PoS**: Post issuance of Aadhaar based e-KYC guidelines in August 2016, TSPs have started expanding their coverage of places where e-KYC facility is available, however, none of the TSPs have a Pan-India presence as of now. We request that adequate time will be required by the TSPs for expanding coverage Pan India, even if it is done on a shared basis.

COAI

b. **Outstation Subscribers through Aadhaar based e-KYC:** Presently, Aadhaar based e-KYC verification is not allowed for outstation subscribers (which is a significant portion of subscriber base). In our various submissions earlier, we have stated that there seems to be no valid reason to restrict the Aadhaar based e-KYC process for issuance of SIM card for mobile connection to the home state where the subscriber is registered and disallow its usage in any location outside the home state. More so when the Aadhaar based e-KYC is a safe and secure way of verifying a customer irrespective of his home location. Hence, Aadhaar based e-KYC process for issuance of SIMs for obtaining mobile connections to outstation subscribers as well should be allowed.

c. **Aadhaar based e-KYC not feasible in case of Foreign Nationals and company owned connections:** We submit that the Aadhaar based e-KYC verification cannot be made applicable for foreign nationals and corporate bulk connections. Hence, they need to be exempted from the list.

d. **Low penetration of Aadhaar in J&K, Assam, Bihar and North-East:** The proposed DoT process may not be as effective as desired in service areas like J&K, Assam and North-east due to low penetration of Aadhaar card in these areas. Aadhaar penetration is as low as 6% in the state of Assam. In such a situation, e-KYC should not be mandated for such states till the time there is significant Aadhaar penetration.

e. **Re-verification to be applicable only for pre-paid subscribers:** In case of post-paid subscribers, physical verification of address is mandatorily done by the TSPs at the time of activation of the SIM and majority of their payments are made by banking transactions, which itself provides to be a robust verification method. Hence, the requirement of re-verification should be applicable only for pre-paid subscribers and not for post-paid subscribers.

Similarly, SIMs which are being used in non-voice devices or dedicated solutions such as 2G/3G/4G Datacards, Wi-fi devices, e-readers, iPads, GPS, security systems, PoS machines, etc., should be exempted from this re-verification exercise since contacting and coordinating with these subscribers would be impossible because these devices neither support the voice calling feature nor do they support SMS facility.

f. **No Penalty on Mismatch between old CAFs and Aadhaar based e-KYC:** In this re-verification process, there may be cases of mismatch in the subscriber's information stored with the TSP and the data stored at UIDAI's server. It was agreed by DoT during the meeting that since Aadhaar based re-verification will lead to effective verification of the subscriber, there will be no disconnection in such cases and also no penalty will be levied on mismatches, if any. Also e-KYC verified subscribers should not be made a part of monthly TERM sample and audit exercise.

g. **Requirement of hard copies CAFs to be done away with:** It is submitted that once the subscriber is verified through Aadhaar based e-KYC, the hard copy requirement of CAFs and attached PoI/ PoA should be done away with as a more robust verification process has been conducted for the subscriber and all his demographic details are fetched from the UIDAI server and is not dependent on any document provided by the subscriber. This should be a completely paperless approach. This was agreed by DoT during the meeting.

h. **No re-verification to be mandated at the time of recharge**: During the re-verification exercise, subscriber inconvenience should be avoided. It is therefore submitted that re-verification through Aadhaar based e-KYC should not be mandated at the time of recharge. As of now, all the PoS outlets do not have e-KYC facility and even the subscriber may not be having their Aadhaar number readily available with them. In such situation, the subscriber should not be inconvenienced, however, they should be allowed to go ahead with the recharge and there should not be any disconnection or suspension of service for such subscribers.

i. **No disconnection of subscribers in case of no Aadhaar**: In case a subscriber does not have an Aadhaar Number, they may be advised to get their Aadhaar card made and post that they may get themselves re-verified, however, there should not be any requirement for disconnection or suspension of service for such subscribers.

j. **All telecom facilities to be paperless for e-KYC verified subscribers**: If a subscriber is once verified through e-KYC, then all other facilities availed by the subscriber like MNP, SIM exchange, etc. should also be made paperless and OTP based.

k. **Verification by Activation Office (Employee Verification) to be done away with**: It is submitted that since Aadhaar based e-KYC is a very robust system of verification and the demographic details of the subscriber are verified through a Government database, the additional step of verification by Activation Officer (who is an employee of the TSP) should be done away with.

l. **Process for re-verification**: The following processes may be adopted for re-verification exercise –

    i. <u>**e-KYC based verification through OTP:**</u> We suggest that the subscribers who have registered their mobile number with the UIDAI, which is stored in the UIDAI database can be verified through OTP based e-KYC.
    ii. <u>**Biometric based e-KYC verification:**</u> This shall be applicable to subscribers who cannot be re-verified through OTP, need to physically visit a SIM sale outlet and get re-verified through biometric based e-KYC process.
    iii. <u>**Authentication based re-verification**</u>: Further customers should also be provided an authentication based facility to re-verify the base. Any customer having Aadhaar number can send an SMS to the operator with name as in UIDAI data base (Aadhaar card), Date of birth in Aadhaar, and Aadhaar number through his mobile number to a short code of operator. This information can be authenticated through UIDAI via authentication API, and if the information matches with original customer data with operators the transaction ID along with Aadhaar information (three field- name, DoB, Aadhaar No) can be stored along with the existing customer data of operator. This process is fool proof and large pool of customers can be re-verified through this method.

m. **No requirement of multiple CAF's or verification for additional connections:** There should be no requirement of fresh/multiple CAF's from customers who are already verified and are existing customers. The OTP based method should be considered adequate for additional connections and also additional services such as DTH connections, etc.

5. We submit that the above mentioned issues need to be considered by DoT at the earliest for an effective re-verification exercise to be conducted by the industry. We would also request DoT to kindly involve the industry is the formation of a process for this re-verification exercise.

6. **Building and growing the device Eco System:** As discussed during the meeting with DoT, TSPs are in process of exploring the option of cost sharing model for devices at PoS outlets. Separate commercial discussions would take place amongst the TSPs for this issue.

7. We submit that the industry has carried out the re-verification of the existing subscribers in the past as well, based on directions from DoT. However, we believe that this Aadhaar based e-KYC re-verification exercise will be a robust one as the demographic details of the subscriber are verified through a Government database. The re-verification activity entails a huge cost which is borne by the TSPs. In this case, the activity needs to be carried out for approx. 1000 million subscribers which is a huge number and involves humongous resources and efforts. The approx. cost of carrying out this activity is about 2500 crores. It is thus submitted that once e-KYC based activation facility reaches to an acceptable levels, new customer activation should only be allowed through e-KYC except in case of foreign nationals and company owned connections. This step has to be a mandatory precursor for re-verification through Aadhar based e-KYC so as to avoid any further re-verification exercises in future, as otherwise these non e-KYC subscribers would continue to be added to the system.

8. We once again submit that the industry is committed to putting their best possible efforts in this exercise and the same may be reviewed after a period of nine months to check the progress.

We hope our inputs will merit your kind consideration.

Kind regards,

Rajan S. Mathews
Director General

CC ✓: Shri P.K. Mittal, Sr. DDG – AS, DoT
      : Shri Ram Narain, Sr. DDG – TERM, DoT

ADITYA BIRLA

IDEA Cellular

Idea/ RCA/ RV/ 2016-17/ Feb / 077

February 16, 2017

Chairman (Telecom Commission) & Secretary (Telecom),
Department of Telecommunications,
Ministry of Communications & IT,
Sanchar Bhawan, 20, Ashoka Road,
New Delhi - 110001

Kind Attn. : Sh. J.S.Deepak (I.A.S)

Sub. : Meeting held on February 13, 2017 regarding 100% E-KYC based subscriber verification

Dear Sir,

This is in reference to the meeting held between the respected DoT members and representatives from various Telecom Service Providers (TSPs) on February 13, 2017 regarding implementation of Hon'ble Supreme Court's orders dated February 6, 2017 in WP (C) 607 of 2016.

Idea Cellular remains committed to adoption of E-KYC process for subscriber enrollment and would take all necessary steps in supporting the DoT, which at the same time requires DoT's full support and cooperation to meet / overcome subscriber related, infrastructural, and regulatory challenges for smooth implementation of E-KYC verification exercise.

A. Incomplete coverage of Aadhaar card in the country

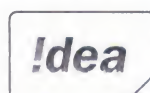### 1. 1 in 8 Indians does not have an Aadhar

Annexure A shows current state wise penetration of Aadhaar. **It may be noted that as of January 31, 2017 only 87% of entire population is Aadhaar covered, and as such more than 14 crore people still have no access to Aadhaar.** In fact high population centers such as Bihar and Assam have comparatively lower than average penetration.

This would imply that crores of Indians who do not have Aadhaar would continue to seek connection without E-KYC, making it impossible to implement 100% E-KYC for mobility subscribers.

B. Infrastructural challenges

2. Current infrastructure for E-KYC inadequate

While Idea Cellular would like to implement 100% verification through E-KYC, the current steep time frame for implementation is based on the premise of the existing recharge outlets playing a very crucial role in the entire verification exercise of the existing subscriber base. However, **only one third of unique retail outlets participate in activation of subscribers.**

!dea

ii.   Further, since use of E-KYC was intended for purposes of activation of new connections only, just **half of the above indicated activation outlets have presently deployed biometric devices.**

iii.   Use of recharge outlets for the purposes of re-verification would necessitate the need to equip these outlets with biometric devices, impart training, and incur substantial capital expenditure. Clearly, **ramping up capacity in terms of number of outlets capable of carrying out E-KYC from the current level of '1 in every 6 outlet' would require substantial time, effort and resources.**

3. **Limited device availability**

   Large STQC certified device manufacturers have limited capability to provide devices. Considering the paucity of devices only approx. 50% of current activations are done through this process. **The device ecosystem is thus an important component of meeting the proposed steep time frame.**

C. Subscriber related challenges

4. **High Subscriber Inertia**

   Nearly one fifth of the subscriber base does not recharge their subscription in a month, majority of these subscribers use the connection only for incoming call; hence **inducing this very large chunk of subscribers to outlets for re-verification would be a big challenge.**

5. **Adoption of Digital route over physical route for recharge**

   Rapidly growing number of subscribers don't opt for recharge at PoS location and opt for the digital route, i.e. without any physical visit. Thus, inducing such subscribers for E-KYC would pose another challenge.

6. **Difficulty in reaching out / communicating with subscribers using connections in non-voice based devices**

   There are substantial numbers of connections which are being used in non-voice devices such as 2G/3G/4G Data Cards, Wi-Fi devices, e-readers, iPads, GPS, security systems, PoS machines, etc. **For re-verifying any subscriber through E-KYC, the TSPs are required to coordinate with the subscriber over call seeking their availability. In such cases, as the devices neither supports the voice calling feature nor supports the SMS facility, there would be practical issues in contacting such subscribers.**

D. Regulatory challenges

7. E-KYC is presently an optional process and not mandated. Further, necessary to have this flexibility for Digital inclusion

   i.   **As per present DoT guidelines, E-KYC Aadhaar is today an optional process implying that any new applicant is entitled to a connection even in absence of Aadhaar.** Moreover, the Hon'ble Supreme Court in the year 2013 had itself ruled that Aadhaar is a voluntary document and cannot be mandated.

   Based on current trends of new subscriber activations, only 50% activations are done through E-KYC route. **Hence, it is likely that new subscribers (including the ones that have Aadhar) may continue to**

apply for mobility services through paper based activation process creating a perpetual leak in the implementation of 100% verification through E-KYC.

ii. It is also pertinent to note that the present optional regime of E-KYC enables Indians to easily opt for mobility services and become part of the connected society. Keeping in mind the current penetration levels of mobility services in the country, it is essential to continue with this practice.

8. E-KYC based verification is not allowed for outstation subscribers, corporate bulk connections and foreign nationals who together constitute 10 – 12% of subscriber base.

E. Re-verification exercise entails massive costs, Industry already reeling under financial stress

9. It is pertinent to mention that TSPs had carried an extensive re-verification exercise in 2011 at the behest of DoT. This earlier exercise involved massive efforts and costs for the TSPs.

10. Further, DoT had itself issued 'Verification guidelines' in 2012, which have been adopted by TSPs for new subscriber activation, and are also subject to monthly TERM cell audits / levy of applicable penalties.

11. **Mandating a fresh re-verification exercise would involve high costs – significantly much higher than the costs incurred in conducting the exercise in 2011.** This is especially true keeping in mind the following:

    a. **The scale of re-verification exercise as being proposed is significantly larger than the one conducted in 2011 as it requires 100% re-verification of the entire subscriber base.** Further, the subscriber base for most operators have expanded manifold since the previous re-verification exercise was conducted.

    b. **The proposed re-verification exercise will involve much more complexities than the previous exercise, including subscriber issues like non-availability of Aadhaar, need for subscriber's physical visit to the outlet for verification, requirement of multiple follow ups from TSPs, etc.**

       Further, despite multiple rounds of follow ups and efforts from TSPs, subscribers may still refrain from participating in the re-verification exercise. This view is corroborated by Idea's own experience whereby in an unfortunate fire incident at a CAF warehouse in Gujarat in Feb 2011, 5.1 million subscriber CAF's were destroyed. Painstaking and rigorous efforts were made by Idea in collecting fresh documents and duly filled Customer Application Forms from these customers. However, multiple rounds of communication through all channels, service camps and field visits resulted in only 1.14 million gross documents being collected till date.

12. **As an illustration of the scale of costs involved, it is estimated that Idea would need to bear approximately Rs. 500 crores** (including costs towards communication and field visits for customer verification, payout of incentives to channel, deployment of additional biometric devices across recharge outlets and revenue loss on account of non-verified customers) **for carrying out this mammoth re-verification exercise for its 190 million+ subscribers.**

13. Keeping in mind the current high levels of financial stress on the industry, such huge costs on account of this re-verification exercise will be ill-timed and will further strain the overall financial health of the sector, leading to multiple other ramifications.

The DoT will have to take concrete steps and measures to facilitate this re-verification exercise which requires adequate time to give effect to the objective behind the Hon'ble SC Order in letter and spirit. Further, ensuring a concrete framework in place for implementing the E-KYC verification process would ensure long term effectiveness and regulatory certainty for all stakeholders.

Nevertheless, if the DoT does decide to proceed with prescribing a steep time frame of re-verification of subscribers through E-KYC, following areas of support will be critical.

Key requests to the DoT for faster implementation of 100% verification through E-KYC

A. Plugging the ingress of non E-KYC subscribers by

    a. Completing Aadhar implementation for 100% Indian population
    b. Making E-KYC mandatory and not optional
    c. Allowing E-KYC for outstation subscribers

Till the time this is done, the process may be kept voluntary so as to ensure convenience and easy access to wireless telephony services for subscribers / consumers.

B. Mass communication to subscribers. DoT should -

    a. Issue a public notification to all mobile subscribers regarding E-KYC verification.

    b. Advertise the need to re-verify through mass communication media such as TV, Radio, Newspaper, Digital and others. This would also provide credibility to the program.

    c. The DoT public notification may also urge retailers to conduct re-verification exercise without incentives (this being a project of national importance).

C. DoT should support the TSPs by funding the above activity from the USO fund.

D. DoT should clearly mandate that TSPs will be allowed to discard the physical CAF as soon as subscriber is E-KYC verified, and only KYC verified documents be stored in database.

E. TSPs should not be held accountable for any mismatch between existing and new records.

Annexure B lists few scenarios which may lead to a potential mismatch between the existing and the new records that may be submitted by the subscriber.

Thus,

    a. TSPs to be indemnified for consumer complaints such as theft of SIMs and related losses like Digital Payment (Wallets), Bank Accounts, etc. which are linked to SIM, and where mismatch between existing and new records may lead to disconnection.

b. In any case, TSPs should be allowed the flexibility to replace the subscriber information based on re-verification.

c. E-KYC re-verified subscribers should not be part of monthly TERM sample.

d. In case mismatch is observed during re-verification exercise, TERM should be given clear instructions not to penalize operators for any such mismatch.

F. Do away with need for having Activation Officers in case of E-KYC connections. Since the subscribers would now be verified through E-KYC, any need for activation officers would become redundant.

G. Postpaid subscribers should be out of scope for this re-verification exercise, since physical verification has already been done for such subscribers at time of activation.

H. Issue Regulation / Guidelines to TSPs clearly highlighting the new process addressing the above issues so as to avoid any confusion.
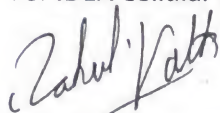
In view of the above, we request the DoT to come out with a detailed process note and an effective roadmap based on realistic timelines in spirit with the Centre's stand in the Hon'ble Supreme Court. We hope that the process note would address the challenges as highlighted above so that a self-contained, long term regulatory mechanism with DoT's resource support can be put in place.

In the meantime, the DoT may make the re-verification exercise voluntary, and on reasonable endeavor and best effort basis till the above issues / challenges are addressed. Perhaps, the DoT may place these before the Hon'ble Supreme Court in Order to give a complete and holistic picture of some of the substantial issues and ground realities.

Safe and Secure communications, remains Idea Cellular's highest priority and we are committed to adoption of E-KYC process for subscriber enrollment and would take all necessary steps in supporting the DoT in its efforts

Thanking You,

For **IDEA Cellular Limited**

Rahul Vatts
Senior Vice President – Regulatory & Corporate Affairs

Encl. : A/a

cc.   1) Member (Technology), Department of Telecommunications, New Delhi

√ 2) Senior DDG (AS), Department of Telecommunications, New Delhi

State/UT wise Aadhaar Saturation
31st January, 2017

S.No	State Name	Total Population (Projected 2015)	Numbers of Aadhaar assigned	%age Aadhaar
1	Delhi	17,720,573	20,680,964	117%
2	Haryana	26,816,977	27,437,958	102%
3	Telangana	37,253,813	37,937,651	102%
4	Punjab	29,303,888	29,668,270	101%
5	Himachal Pradesh	7,252,406	7,331,087	101%
6	Lakshadweep	68,149	68,385	100%
7	Chandigarh	1,115,584	1,112,360	100%
8	Kerala	35,315,493	34,849,343	99%
9	Goa	1,541,892	1,511,135	98%
10	Chhattisgarh	27,014,896	26,333,073	97%
11	Puducherry	1,316,320	1,281,311	97%
12	Dadra & Nagar Haveli	362,649	351,936	97%
13	Andhra Pradesh	52,229,924	50,650,461	97%
14	A & N Islands	401,882	388,837	97%
15	Jharkhand	34,869,720	33,624,279	96%
16	Uttarakhand	10,700,897	10,159,332	95%
17	Tripura	3,882,999	3,636,775	94%
18	Maharashtra	118,861,427	111,098,168	93%
19	Karnataka	64,660,412	59,853,706	93%
20	Madhya Pradesh	76,789,374	70,837,516	92%
21	Sikkim	642,776	588,599	92%
22	Gujarat	62,100,000	56,573,171	91%
23	Tamil Nadu	76,304,287	68,061,349	89%
24	Rajasthan	72,583,213	63,299,750	87%
25	West Bengal	96,622,186	84,155,488	87%
26	Odisha	44,369,413	38,551,448	87%
27	Uttar Pradesh	211,105,381	173,357,851	82%
28	Daman & Diu	256,937	205,290	80%
29	Bihar	109,798,353	83,623,592	76%
30	Manipur	2,878,911	1,943,363	68%
31	Jammu Kashmir	13,273,505	8,861,840	67%
32	Arunachal Pradesh	1,462,443	924,541	63%
33	Nagaland	2,094,963	1,145,223	55%
34	Mizoram	1,154,010	624,113	54%
35	Meghalaya	3,135,150	275,745	9%
36	Assam	32,968,997	2,116,227	6%
	TOTAL	**1,278,229,800**	**1,113,120,137**	**87.1%**

Annexure B

Potential scenarios / instances of mismatch between the existing and new records of subscribers

It is important to note that re-verification exercise is conducted at a point in time. After this verification is completed, the subscriber might change some of the earlier submitted details without any intimation to the Telecom Service Provider whereby the re-verification exercise becomes irrelevant.

The Telecom Service Provider has absolutely no control on the bona fide of the customers in the following scenarios:

- Transfer of prepaid SIM by the verified subscriber to friends, relatives without updating the same with the Telecom Service Provider.

- There are situations where SIM card purchase is facilitated for a friend, distant relative due to non-availability of relevant POI/POA required for activation of prepaid SIM including low awareness of the outstation activation process outlined by DOT amongst public at large. In such situations the actual user is different from the subscriber details recorded basis documents submitted at the time of activation.

- Change of address of the verified subscriber due to shifting of residence, relocation intercity and intra city.

- It is pertinent to note that the address of the customer at the time of Aadhaar registration may not be the current address at the time of re-verification.

- This should be the last time any re-verification is ordered and to avoid the above situation even after this re-verification exercise is completed, it is important that DOT does the following:

  o Create awareness for general public through announcement, that transfer of ownership with due process is required and just handing over SIM card to someone does not absolve the owner from accountability of bona fide.

  o Transfer process by DoT allowing name and address change through simple EKYC (Aadhaar) verification of existing and proposed subscriber.

PB/VIL/102

15th February 2017

Shri J.S. Deepak, IAS
Telecom Secretary,
Department of Telecommunications
20, Ashoka Road
Sanchar Bhawan
New Delhi-110001

Subject: 100% e-KYC based verification of mobile subscribers

Dear Sir,

1. This refers to the industry meeting held meeting held in DoT on 13 February 2017.

2. We respectfully submit that the existing verification process prescribed by DoT is being diligently followed and has resulted in substantially improved subscriber verification percentages in the regular audits carried out by DoT/TERM and our average compliance level is now being maintained at ~96-97%.

3. It is also our view that the introduction of Aadhaar Card and e-KYC processes as an option since 16th August 2016 will help in further improving the effectiveness of the subscriber verification processes making them more robust, effective and efficient.

4. In fact, we have already initiated several steps in order to implement the systems for verification using e-KYC process and/ or Aadhaar based authentication. As on date, we have **1.5 lacs** outlets already having biometrics devices to facilitate E-KYC / Aadhaar based authentication. Further, given the stock availability being limited at this stage and the rollout challenges, we expect to be able to rollout around 6.4 lacs total outlets by September 2017.

5. **However, for a substantive PAN India coverage, there is a requirement of having the biometric devices in around 1.8 Million such outlets, which, it may be appreciated**, will take some time, given aspects related to arranging for stock and subsequent rollout.

6. In our short experience in E-KYC, we have activated 1.5 crores new subscribers. As of now such activation constitute about **50%** of the total activations for the month of January 2017. The objective of verification of a customer only through Aadhaar is a laudable proposition and we are fully committed to it, however, for it to fulfill the present objective, the following issues have to be immediately resolved:-

    a. Subscriber with **an out-station Aadhaar** should be allowed to be activated through E-KYC

    b. **New customer activation should be mandated to be only** allowed through e-KYC except in case of foreign nationals and company owned connections. **This step has to be a mandatory pre-cursor** for any base re-verification through Aadhaar as otherwise, we will continue to chase a never ending target, since new activation will keep on adding into the base for non e-KYC subscribers. At the same time to reach to this stage, sufficient rollout of biometrics devices to

facilitate E-KYC which will be pre-requisite which will take some time, considering magnitude involved.

c. **Many citizens of this country still do not have Aadhaar card** and some states like Assam, North East & J&K have practically very low base. **Under these circumstances, it is imperative that all citizens should be provided Aadhaar, as a precondition to mandating e-KYC.**

7. We submit that once the above issues are addressed by the Government, then e-KYC of new and thereafter existing subscribers can be initiated easily. As mentioned above, this will also require substantive rollout of the E-KYC devices across Pan-India to facilitate any such mechanism without causing any disturbance dissatisfaction to the customers.

8. In respect of re-verification of existing subscribers, we submit the following:-
   a. In case of **post-paid customers since they are physically verified** and majority of the payments are made by banking transactions, the **requirement of re-verification should not be applied to such subscribers.**
   b. As agreed in the meeting of 13 February 2017, in-case of any mismatch on re-verification, the **TSPs will not be held responsible and will not be penalized.**

   c. Further, since such re-verification will lead to effective identity as well as address verification, the particulars of Aadhaar will be applicable and hence **no disconnection** will be required in case of any different information in the CIF.

9. As discussed in the meeting of 13 February, 2017, it is desirable that customer inconvenience be avoided as far as possible. **It is therefore submitted that a customer should be able to re-verify through any of the four options mentioned below without adopting any coercive approach of not been allowed to re-charge.** It is also important that sufficient infrastructure availability is ensured and time is given to the customer to migrate to E-KYC. **Any coercive measures, like suspension of recharge till re-verification, etc., may not be legally tenable permissible till Aadhaar is not mandated.**

10. Once the above issues as highlighted above are addressed /resolved, the base re-verification through Aadhaar can be tackled through a four pronged approach:-
    a. OTP E-KYC based verification – the subscribers who have registered their mobile no. in the UIDAI data base can BE REVERIFIED through IVR/ SMS, OTP based E-KYC.
    b. OTP Aadhaar authentication based re-verification – a CUSTOMER through Aadhaar authentication process with matching details of existing operator data can be termed as re-verified. The transaction ID, Aadhaar No., DOB and name can be additionally stored post authentication in the E-CAF and old physical CAF can be destroyed. Customers should be provided an authentication based facility to re-verify their identity. Any customer having Aadhaar number can send an SMS to the operator with name as in UIDAI data base (Aadhaar card), Date of birth in Aadhaar, and Aadhaar number through his mobile number to a short code of operator. This information can be authenticated through UIDAI via authentication API, and if the information matches with original customer data with operators the transaction ID along with Aadhaar information (three field- name, Dob, Aadhaar No) can be stored along with the existing customer data of operator. This process is fool proof and large pool of customers can be re-verified through this method.
    c. Biometric base E-KYC verification - for customers who cannot be re-verified through process A or B will have to physically visit an outlet and get re-verified through biometric e-KYC process.

d. Re-verification of Subscribers not having Aadhaar – for such subscribers Government should issue Aadhaar cards mandatorily. In this situation also a customer cannot be forced to be disconnected in absence of Aadhaar not being provided.

11. We respectfully submit that as an industry re-verification exercise was done in past also. However, since **such exercises are time consuming and carry a huge cost** (estimated cost per subscriber is about Rs.25/-), **it will be only meaningful if it is done in a planned and structured manner considering all aspects as mentioned above.** We shall be happy to discuss with you these issues in details to reach to a meaningful and realistic objective.

12. We submit that considering the initiatives taken by us so far, but at the same time, keeping in mind the issues and challenges highlighted above, we should, **at present, proceed on a best effort basis with no timelines being prescribed at this stage and the progress be reviewed after 9-12 months to determine the next steps in this regard.**

In the meantime, we request the Government to urgently address the issues highlighted by us in Para 6 above as this will pave the way to making E-KYC authentication mandatory for both new as well as existing subscribers.

Needless to mention, it will continue to be our on-going endeavour to do to the best possible extent in the given circumstances and we shall put in our best efforts in this respect.

Warm Regards
For **Vodafone India Limited**

P Balaji
Director- Regulatory, External Affairs and CSR

d.   Re-verification of Subscribers not having Aadhaar – for such subscribers Government should issue Aadhaar cards mandatorily. In this situation also a customer cannot be forced to be disconnected in absence of Aadhaar not being provided.

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In the meantime, we request the Government to urgently address the issues highlighted by us in Para 6 above as this will pave the way to making E-KYC authentication mandatory for both new as well as existing subscribers.

Needless to mention, it will continue to be our on-going endeavour to do to the best possible extent in the given circumstances and we shall put in our best efforts in this respect.

Warm Regards
For **Vodafone India Limited**

P Balaji
Director- Regulatory, External Affairs and CSR

Shri P K Mittal, Sr. DDG – AS, DoT
Shri Ram Narain, Sr. DDG – TERM, DoT

February 15, 2017

Shri P K Mittal
Sr. DDG (AS),
Department of Telecommunications,
20, Ashoka Road, Sanchar Bhawan,
New Delhi – 110 001.

Subject: Subscriber Verification using e-KYC as per Hon'ble SC Order dated 06.02.2017
             passed in Writ Petition (c) No. 607 of 2016 titled Lokniti Foundation Vs. UOI

Dear Sir,

At the outset, we thank the Department of Telecommunications for convening meeting of Telecom
Service Providers and seek their suggestions and views to implement Hon'ble Supreme Court's
aforesaid order dated 06.02.2017 on e-KYC based verification of existing subscribers. We have set in
motion e-KYC process for enrolling new subscribers and it will gather momentum as the process
spreads from urban/semi-urban cities and towns to rural areas and villages across the country. This,
however, would entail substantial cost, time and effort.

We would like to make few suggestions/ points for your kind consideration that may help with this
rollout.

1. e-KYC process is alternative process to the existing PoI/PoA document based processes for
    acquisition of new subscribers. Taking into consideration that e-KYC service is yet to reach
    Pan-India level, e-KYC process should be continued as an alternative process to the existing
    POI/POA document based processes.

2. Facilitate and encourage the Service operators to share the infrastructure for verification i.e.
    a service provider, who has installed the infrastructure for e-KYC verification at a retailer
    point for its customers, should be encouraged to verify the subscribers of the other operator
    using such infrastructure. There is little value in having multiple machines at same outlet.
    The methodology/process and cost of such sharing of infrastructure may be mutually
    decided by service providers or DoT may prescribe the methodology for such verification of
    subscriber of a service provider through the infrastructure provided by other service
    provider.

TATATELESERVICES LIMITED
2-A, Old Ishwar Nagar, Main Mathura Road, New Delhi 110065
Tel.: 91-11-66558666, 66558555 Fax : 91-11-66558908, 66558909 website : www.tatateleservices.com
Registered Office : 10th Floor, Tower 1, Jeevan Bharati, 124 Connaught Circus, New Delhi-110001
CIN - U74899DL1995PLC066685 E-mail : listen@tatadocomo.com

3. Whilst TSPs would communicate the requirement of e-KYC verification to their customers, the Government can help by releasing advertisement highlighting the need and advantages for the customers to do this.

4. Assuming during the verification, there is a mismatch of subscriber details with the existing data base, TSP be allowed to update such records.

5. Process/Procedure regarding Outstation Customers' authentication needs to be prescribed as soon as possible.

6. MNP e-KYC process should be defined in such a manner that once a subscriber is enrolled with e-KYC, he/she need not be re-verified.

7. e-KYC process for bulk connection needs to be prescribed as soon as possible.

8. Way forward for a) customers using digital recharge mode b) subscribers with very little usage and recharging once in six months or so needs to be laid out.

9. Once a mobile subscriber is enrolled with a TSP through e-KYC, there should not be any requirement of re-verification of said subscriber if he/ she avails additional services such as broadband/WiFi.

10. In case of migration of a subscriber from pre-paid connection to post-paid connection or vice versa there should not be any need for re-verification if such subscriber is already e-KYC verified.

Thanking you and assuring you of our best attention always.

Yours sincerely,

Sunil Batra
Vice President - Regulatory and Corporate Affairs
Tata Teleservices Limited

Reliance Comm

Subject: **Fwd: Inputs in respect to e-KYC reverification**

To: PRASANTVERMA ADET <adetas2.hq-dot@nic.in>, (AS-II) <>

Date: 02/15/17 04:14 PM

From: PRAMOD KUMAR MITTAL <ddgas1-dot@nic.in>

-------- Original Message --------
From: A.Mathur@relianceada.com
Date: Feb 14, 2017 1:42:40 PM
Subject: Inputs in respect to e-KYC reverification
To: PRAMOD KUMAR MITTAL <ddgas1-dot@nic.in>
Cc: Director <diras2-dot@nic.in>, (AS II)

This is with reference to the meeting held on 13 Feb 17 under the Chairmanship of Secretary (Telecom) to discuss the issues w.r.t. e-KYC based verification of mobile subscribers pursuant to the Hon'ble Supreme Court order dated 06.02.2017.

As desired by the DoT, please find below some points for your consideration while formulating the instructions for this entire process.

1.   e-KYC for Outstation and Bulk customers should also be allowed at the earliest so that reverification of such subscribers could also be   done .

2.   DoT should do away with the requirements of Employee Verification without which a mobile connection can not be activated as per   present instructions. Employee verification is adding no value in e-KYC based process which is completely online.

3.   DoT is also requested to prescribe verification process for such subscribers who declare that they do not possess Aadhaar No./Card.

4.   e-KYC based acquisition of new customers should not be made mandatory for any new acquisition at this point of time when the related   infrastructure is still being put in place with the retailers.

5.   DoT should do away with the requirement of maintaining hard copy of CAFs. New Online CAFs will replace Old CAF of verified   subscribers.

6.   Since the new data received from UIDAI as a result of e-KYC verification will replace the existing data, any Subscriber data mismatch as   a result of reverification process should not attract any penalty from DoT/TERM Cells.

7.   DoT/Government should also undertake awareness drive to trigger customers to come forward for e-KYC re-verification of their mobile   connection.

8.   Shift from post paid to prepaid or vice versa should not require re-verification once the subscriber is verified by e-KYC process or   acquired through e-KYC process.

Regards,

Amit Mathur (अमित माथुर)

cid:_1_08F308A408F3065000263DC36525789D **Reliance Communications Limited**
Reliance Centre, 'A' - Wing, 3rd Floor,
Maharaja Ranjeet Singh Marg
New Delhi - 110002
Mobile: 9312208215
Fax no.: 011-3033 1781

Aircel

Subject: **Fwd: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)**

Date: 02/15/17 02:31 PM

From: Pramod Mittal <mittalpramodk@gmail.com>

To: "PRASANTVERMA ADET(AS-II)" <adetas2.hq-dot@nic.in>

image001.jpg (2kB)

---------- Forwarded message ----------
From: **Ashok Sharma** <ashok.sharma@aircel.co.in>
Date: Mon, Feb 13, 2017 at 2:49 PM
Subject: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)
To: "mittalpramodk@gmail.com" <mittalpramodk@gmail.com>, "ddgas1-dot@nic.in" <ddgas1-dot@nic.in>
Cc: Dinesh Bisht <DINESH.BISHT@aircel.co.in>

Dear Mr. Mittal

As discussed in today's meeting at DoT, please find below Aircel's recommendations, which you may consider while formulating the guidelines

1.   Volume of out location/ station customers , which is not covered under eKYC process currently, is significantly high. Inclusion of out-location customers under eKYC process is a must, before we undertake the activity of verifying existing subscriber thru eKYC process.

2.   eKYC verifications are hugely dependent upon placements of biometric devices. Many of the devices deployed by various TSPs are locked devices and those do not support transactions for other TSPs. DoT must help creating a more convenient and participating device echo system by issuance of a direction that NO biometric device should be locked and that MUST allow eKYC authentication of all the existing and new subscribers irrespective of service provider. This will be extremely critical for the success of this activity

3.   Once verified thru eKYC process, subscriber should not be required for any other documentation / additional verifications, which are today required in case of SIM replacement or MNP migrations. Such requests should be allowed thru OTP enabled verifications for all eKYC verified subscribers.

4.   Since eKYC process still is under stabilization and device echo system is still growing. Completing the activity of verification of existing customers by end 2017. looks extremely challenging. While we will make our best efforts. but more time surely will be required to complete the activity.

For Aircel,

With Best regards
Ashok Sharma

AIRCEL

9716000002

P

From: mittalpramodk@gmail.com
Sent: February 9, 2017 12:26 PM
To: arvind.jalota@infotelconnect.com; dmitry.shukov@mtsindia.in; gopal.vittal@airtel.com; punit.garg@relianceada.com; himanshu.kapania@idea.adityabirla.com; kaizad.heerjee@aircel.co.in; Sunil.Sood@vodafone.com; srinath.n@tatatel.co.in; sanjay.mashruwala@ril.com;

Shri P.K Mittal,
Sr. DDG (AS),
Department of Telecommunications,
20, Ashoka Road, Sanchar Bhawan,
New Delhi – 110 001.

Subject: Subscriber Verification using e-KYC as per Hon'ble SC Order dated 06.02.2017
             passed in Writ Petition (c) No. 607 of 2016 titled Lokniti Foundation Vs. UOI

We would like to make few suggestions/ points for your kind consideration that are mentioned as below:

Telenor

Subject: Fwd: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)

Date: 02/15/17 02:31 PM

From: Pramod Mittal <mittalpramodk@gmail.com>

To: "PRASANTVERMA ADET(AS-II)" <adetas2.hq-dot@nic.in>

---------- Forwarded message ----------
From: Utppal Mitra <utppal.mitra@telenor.in>
Date: Mon, Feb 13, 2017 at 10:25 PM
Subject: Re: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)
To: mittalpramodk <mittalpramodk@gmail.com>
Cc: Upanga Dutta <Upanga.Dutta@telenor.in>, Subodh Singh <subodh.singh@telenor.in>, R Sundar <R.Sundar@telenor.in>, Pankaj Sharma <pankaj.sharma@telenor.in>

Dear Sir

UIDAI provides Customers demographics to KUA basis 2 modes of Customer Authentication – 1) Customer Biometrics and 2) OTP sent by UIDAI to Customers Registered Mobile Number.

The OTP based authentication process is as follows:
1. Customer Aadhar Number is submitted to UIDAI thru KUA's (In this case TSP's) App/Portal for OTP based authentication
2. UIDAI sends OTP to Customers Registered Mobile number
3. Customer's Aadhar Number + OTP is submitted to UIDAI by TSP (KUA) for authentication
4. If the OTP and Aadhar number matches then UIDAI reverts with Customer's eKYC details
5. Customers demographics gets populated on the eCAF / TSP's data base as per current process.

This process captures the OTP sent to customer on his registered mobile number along with his/her Aadhar for authentication in place of Biometrics. This is an established process of UIDAI.

Regards

Utppal Mitra
+91 9711991122

From: mittalpramodk <mittalpramodk@gmail.com>
Date: Monday, 13 February 2017 at 9:22 PM
To: Pankaj Sharma <pankaj.sharma@telenor.in>

Cc: Upanga Dutta <Upanga.Dutta@telenor.in>, Utppal Mitra <utppal.mitra@telenor.in>, Subodh Singh <subodh.singh@telenor.in>, R Sundar <R.Sundar@telenor.in>
Subject: Re: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)

Please explain what is expected out of aadhar OTP? What process is being suggested? Regards Pkmittal

Sent from my Samsung Galaxy smartphone.

-------- Original message --------
From: Pankaj Sharma <pankaj.sharma@telenor.in>
Date: 13/02/2017 21:20 (GMT+05:30)
To: Pramod Mittal <mittalpramodk@gmail.com>
Cc: Upanga Dutta <Upanga.Dutta@telenor.in>, Utppal Mitra <utppal.mitra@telenor.in>, Subodh Singh <subodh.singh@telenor.in>, R Sundar <R.Sundar@telenor.in>
Subject: Re: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)

Dear sir

Pls find attached the proposal from Telenor India.
1. Pls allow sufficient time for proliferation of eKYC terminals in the country before mandating any re-verification activity of such large scale.
2. As discussed in meeting today. unlocking and sharing of eKYC terminals by all operators is absolutely must to

built up any scale in such activity.

3 All categories of subscribers (local and outstation) should be included in the Aadhar base activation process.

4 After above three points (1,2,3) are implemented mandatorily by DOT, we would need time until 30th September for enabling market towards 100% eKYC

5 A review will also be required that country has received 100% eKYC penetration by that time.

6 A timeframe of 9 to 12 months will be required for re-verfiication of subscribers from 1st October 2017 for such a massive activity. We would request regular meetings with Dot to review the status and preparedness and help required from authorities for this purpose.

7 Re-verfication process to be allowed in 2 modes:

    1 Biometric authentication

    2 Authentication thru Aadhar OTP

8 Correction in subscriber demographics to be allowed basis Aadhar cards without any CAF penalty.

9. Allow physical CAFS of eKYC re-verified customers to be destroyed.(removal of current cap of 3 years of storage post PD)

Regards

Pankaj Sharma
+919711596730

From: Pramod Mittal <mittalpramodk@gmail.com>
Date: Thursday, February 9, 2017 at 12:24
To: "arvind.jalota@infotelconnect.com" <arvind.jalota@infotelconnect.com>, "dmitry.shukov@mtsindia.in" <dmitry.shukov@mtsindia.in>, Gopal Vittal <gopal.vittal@airtel.com>, "punit.garg@relianceada.com" <punit.garg@relianceada.com>, Himanshu Kapania <himanshu.kapania@idea.adityabirla.com>, Kaizad Bomi Heerjee <kaizad.heerjee@aircel.co.in>, "Sood, Sunil (COR), Vodafone India" <Sunil.Sood@vodafone.com>, "srinath.n@tatatel.co.in" <srinath.n@tatatel.co.in>, "sanjay.mashruwala@ril.com" <sanjay.mashruwala@ril.com>, Sharad Mehrotra <sharad.mehrotra@telenor.in>, "cmdbsnl@bsnl.co.in" <cmdbsnl@bsnl.co.in>, "cmd@bol.net.in" <cmd@bol.net.in>
Cc: "Mr. J S Deepak" <secy-dot@nic.in>, "membert-dot@nic.in" <membert-dot@nic.in>, "Director (AS II)" <diras2-dot@nic.in>, Prashant Verma <prashant2025@gmail.com>, Kapoor Guliani <gulianiks@gmail.com>, Ravi Parkash Gandhi <Ravi.Gandhi@airtel.com>, "Balaji, P (COR), Vodafone India" <P.Balaji@vodafone.com>, "rahul.vatts@idea.adityabirla.com" <rahul.vatts@idea.adityabirla.com>, Pankaj Sharma Sharma <pankaj.sharma@telenor.in>, "sunil.tandon@tatatel.co.in" <sunil.tandon@tatatel.co.in>, Neera Sharma <neera.sharma@mtsindia.in>, Amit Mathur <amathur4@gmail.com>, "raghbir.singh1@aircel.co.in" <raghbir.singh1@aircel.co.in>
Subject: Meeting on 13.2.2017 under the Chairmanship of Secretary (T)

Dear Sir,

This has reference to the Notice for the above said meeting.

Hon'ble Supreme Court in its order dated 6th February, 2017 in Writ Petition No.607 of 2016 has observed that "in the near future and more particularly, within one year from today, a similar verification will be completed, in case of existing subscribers."

Therefore, it is imperative to start a process for verification of existing subscribers through e-KYC process which is to be completed within one year as far as possible.

Your suggestions to implement the order of Hon'ble Supreme Court are solicited in advance by today evening so as to circulate to all for a constructive discussion during the meeting.

Looking forward for your confirmation for participation in the meeting and suggestions on the issue.

Regards

Vodafone

PB/VIL/102

15th February 2017

Shri J.S. Deepak, IAS
Telecom Secretary,
Department of Telecommunications
20, Ashoka Road
Sanchar Bhawan
New Delhi-110001

Subject: 100% e-KYC based verification of mobile subscribers

Dear Sir,

1. This refers to the industry meeting held meeting held in DoT on 13 February 2017.

2. We respectfully submit that the existing verification process prescribed by DoT is being diligently followed and has resulted in substantially improved subscriber verification percentages in the regular audits carried out by DoT/TERM and our average compliance level is now being maintained at ~96-97%.

3. It is also our view that the introduction of Aadhaar Card and e-KYC processes as an option since 16th August 2016 will help in further improving the effectiveness of the subscriber verification processes making them more robust, effective and efficient.

4. In fact, we have already initiated several steps in order to implement the systems for verification using e-KYC process and/ or Aadhaar based authentication. As on date, we have **1.5 lacs** outlets already having biometrics devices to facilitate E-KYC / Aadhaar based authentication. Further, given the stock availability being limited at this stage and the rollout challenges, we expect to be able to rollout around 6.4 lacs total outlets by September 2017.

5. However, for a substantive PAN India coverage, there is a requirement of having the biometric devices in around 1.8 Million such outlets, which, it may be appreciated, will take some time, given aspects related to arranging for stock and subsequent rollout.

6. In our short experience in E-KYC, we have activated 1.5 crores new subscribers. As of now such activation constitute about **50%** of the total activations for the month of January 2017. The objective of verification of a customer only through Aadhaar is a laudable proposition and we are fully committed to it, however, for it to fulfill the present objective, the following issues have to be immediately resolved:-
   a. Subscriber with an **out-station Aadhaar** should be allowed to be activated through E-KYC
   b. **New customer activation should be mandated to be only** allowed through e-KYC except in case of foreign nationals and company owned connections. **This step has to be a mandatory pre-cursor** for any base re-verification through Aadhaar as otherwise, we will continue to chase a never ending target, since new activation will keep on adding into the base for non e-KYC subscribers. At the same time to reach to this stage, sufficient rollout of biometrics devices to

facilitate E-KYC which will be pre-requisite which will take some time, considering magnitude involved.

c. Many citizens of this country still do not have Aadhaar card and some states like Assam, North East & J&K have practically very low base. Under these circumstances, it is imperative that all citizens should be provided Aadhaar, as a precondition to mandating e-KYC.

7. We submit that once the above issues are addressed by the Government, then e-KYC of new and thereafter existing subscribers can be initiated easily. As mentioned above, this will also require substantive rollout of the E-KYC devices across Pan-India to facilitate any such mechanism without causing any disturbance dissatisfaction to the customers.

8. In respect of re-verification of existing subscribers, we submit the following:-
a. In case of post-paid customers since they are physically verified and majority of the payments are made by banking transactions, the requirement of re-verification should not be applied to such subscribers.
b. As agreed in the meeting of 13 February 2017, in-case of any mismatch on re-verification, the TSPs will not be held responsible and will not be penalized.

c. Further, since such re-verification will lead to effective identity as well as address verification, the particulars of Aadhaar will be applicable and hence no disconnection will be required in case of any different information in the CIF.

9 As discussed in the meeting of 13 February, 2017, it is desirable that customer inconvenience be avoided as far as possible. It is therefore submitted that a customer should be able to re-verify through any of the four options mentioned below without adopting any coercive approach of not been allowed to re-charge. It is also important that sufficient infrastructure availability is ensured and time is given to the customer to migrate to E-KYC. Any coercive measures, like suspension of recharge till re-verification, etc., may not be legally tenable permissible till Aadhaar is not mandated.

10. Once the above issues as highlighted above are addressed /resolved, the base re-verification through Aadhaar can be tackled through a four pronged approach:-
a. OTP E-KYC based verification – the subscribers who have registered their mobile no. in the UIDAI data base can BE REVERIFIED through IVR/ SMS, OTP based E-KYC.
b. OTP Aadhaar authentication based re-verification – a CUSTOMER through Aadhaar authentication process with matching details of existing operator data can be termed as re-verified. The transaction ID, Aadhaar No., DOB and name can be additionally stored post authentication in the E-CAF and old physical CAF can be destroyed. Customers should be provided an authentication based facility to re-verify their identity. Any customer having Aadhaar number can send an SMS to the operator with name as in UIDAI data base (Aadhaar card), Date of birth in Aadhaar, and Aadhaar number through his mobile number to a short code of operator. This information can be authenticated through UIDAI via authentication API, and if the information matches with original customer data with operators the transaction ID along with Aadhaar information (three field-name, Dob, Aadhaar No) can be stored along with the existing customer data of operator. This process is fool proof and large pool of customers can be re-verified through this method.
c. Biometric base E-KYC verification - for customers who cannot be re-verified through process A or B will have to physically visit an outlet and get re-verified through biometric e-KYC process.

d   Re-verification of Subscribers not having Aadhaar – for such subscribers Government should issue Aadhaar cards mandatorily. In this situation also a customer cannot be forced to be disconnected in absence of Aadhaar not being provided.

11 We respectfully submit that as an industry re-verification exercise was done in past also. However, since such exercises are time consuming and carry a huge cost (estimated cost per subscriber is about Rs.25/-), it will be only meaningful if it is done in a planned and structured manner considering all aspects as mentioned above. We shall be happy to discuss with you these issues in details to reach to a meaningful and realistic objective.

12. We submit that considering the initiatives taken by us so far, but at the same time, keeping in mind the issues and challenges highlighted above, we should, at present, proceed on a best effort basis with no timelines being prescribed at this stage and the progress be reviewed after 9-12 months to determine the next steps in this regard.

In the meantime, we request the Government to urgently address the issues highlighted by us in Para 6 above as this will pave the way to making E-KYC authentication mandatory for both new as well as existing subscribers.

Needless to mention, it will continue to be our on-going endeavour to do to the best possible extent in the given circumstances and we shall put in our best efforts in this respect.

Warm Regards
For Vodafone India Limited

P Balaji
Director- Regulatory, External Affairs and CSR

Feedback of MTNL on FOR AADHAR BASED E-KYC FOR MOBILE SERVICE

1. Awareness campaign to be launched by GoI for e-KYC.
2. Customers to be advised to complete e-KYC in a prescribed time limit to continue to enjoy the service.
3. Multiple channels to be made available for e-KYC to customer i.e. MTNL's CSCs, MTNL Exchanges located in different part of city, Franchise Network, Mobile/temporary stalls to be opened in various colonies and office clusters.
4. e-KYC to be done on POS M/C and desktop.
5. **Process for e-KYC:**

   Option-1: At outlet of Telco

   i) Customer will provide his/her biometric thumb impression.

   ii) Based on biometric verification, an OTP will be sent to mobile number of the customer.

   iii) The OTP will be fed into e-KYC verification application. Based on OTP verification e-KYC process will be treated as completed.

   iv) Customer Data verified/obtained through e-KYC process will over-ride the old data of customer in CRM data base.

   Opption-2: Self verification by Customer:

   i) Customer has his/her mobile number registered on Aadhar

   ii) Customer goes to Telco portal, feed his/her Mobile number to be eKYC verified and Aadhar number.

   iii) On submitting above details, one OTP is received by customer on his mobile from UIDAI.

   iv) Customer enter the OTP on portal and submit. E-KYC process is complete.

6. **Challenges in e-KYC verification Process:**

   i) **Actual mobile user is different in whose name SIM was issued in past:** In such case, e-KYC acquired customer's details will replace the old details.

ii) **Possibility of impersonation:** Someone may come impersonating other person and provide e-KYC verifications and do fraud with actual user. Though e-KYC details may help in catching such fraudulent persons but OTP verification process can minimize such possibility of impersonation.

iii) **The address of the person in Aadhar may be in other LSA (state), whereas user is actually living in different LSA(State) :** Regulatory relaxation is needed from GoI to allow person providing KYC details of other LSA but living in other LSA.

iv) **Corporate/Instituional Customer, where Multiple SIMs are issued against single corporate identity or SIM is issued against the post and not in name of individual. Person against a post keep on changing.**

7. Other issues needing attention of GoI:

i) With the eKYC verified customer, TERM cell should do away with the guidelines pertaining to maintenance of physical CAFs.

ii) TERM cell to issue guidelines pertaining to customer database reporting for eKYC verified customer.

iii) Foreigners to be exempted from eKYC. Guidelines for eKYC in respect of Corporates to be issued.

iv) For corporate and institutional customers, GoI need to issue guidelines for eKYC.

v) Second verification of customer by employee of Telco before SIM activation may be avoided in case of eKYC verification.

AADHAR Linking of All Prepaid Subscribers – Comments from BSNL

1. Background:

In a recent Judgment, Hon'ble Supreme Court has ordered Centre Government to verify identity, as well as, the addresses of all existing pre-paid mobile users in a year, in the same manner as being done for new users.

2. Observations:

a) BSNL is having approximate 95M mobile subscriber out of which 73M are VLR active. All the existing mobile connections have been issued only after verifying KYC documents.

b) Since AADHAR was not mandatory, it is not linked to most of the connections.

c) BSNL has introduced AADHAR based e-KYC activation recently. However, activations through this system are 40% only. This is primarily due to not allowing outstation aadhar customers to get new connection through e-KYC.

d) At present, we have approximately 6 Lacs active channel partners plus CSCs. A KYC device costs approximately `2500 to `3000 which means a capital cost of approx. 180 Crores. Apart from it, a commission will also be required to be paid to channel partners for the work, say 20 Rs per verification. Total commission comes out to be 180 Crores. In this way, an expenditure of 365 Crores will be required.

3. Suggestions:

a) DoT should mandate that all telecom operators should share e-KYC biometric device at some nominal per transaction charge. For this e-KYC machines already available with the retailers should be unlocked, in order to avoid repetitive wasteful expenditure on e-KYC machines as described above.

b) Linking of AADHAR of existing subscribers in which mobile numbers are already captured can also be done by way of subscriber sending his AADHAR number to a pre defined short code himself or through our channel partners at the time of recharge. This can be verified through OTP

c) Another step required to increase AADHAR based e-KYC penetration is to allow outstation AADHARs to be used for this purpose.

d) In case of e-KYC complied subscribers, repeat of e-KYC process for changing operator through MNP may be dispensed with.

e) The process of verification by telecom operator employee in case of e-KYC should be dispensed with as there is no value addition.

f) The paper CAF should be destroyed once e-KYC is done of cutomer.

COAI

RSM/COAI/2017/025
February 15, 2017

Shri J.S. Deepak, IAS
Secretary,
Department of Telecommunications
20, Ashoka Road, Sanchar Bhawan
New Delhi-110001

15 FEB 2017
226653

<u>Subject: Reverification of Existing Subscribers Through AADHAR Based e-KYC</u>

REFERENCES:

1. Joint Industry Meeting held at DoT on Monday, February 13, 2017.
2. Supreme Court order dated February 6, 2017 in writ petition(C) No. 607 of 2016

Dear Sir,

1. This is with reference to the meeting held on 13th Feb 2017 on the matter under reference. We thank DoT for inviting the industry feedback based on the points discussed at this meeting.

2. We would like to state that the existing verification process prescribed by DoT in 2012 is being diligently followed by the industry and the introduction of Aadhaar based e-KYC process has helped in utilizing latest technology based methods for improving the effectiveness of the procedure and making the system more robust.

3. We would like to submit that all existing subscribers of all the TSPs have been verified as per the existing guidelines issued by DoT in 2012, which were based on Hon'ble Supreme Court Order (Avishek Goenka PIL). During that time, various rounds of discussions were held between the Government and industry to formulate the process before submission to the Hon'ble Supreme Court. However, in the Lokniti Foundation writ petition, no discussions were held with the industry prior to making submissions to the Hon'ble Supreme Court.

4. Notwithstanding the above, the Industry is committed to putting best efforts to implement the order of the Hon'ble Supreme Court and in good faith will carry out the Aadhaar based e-KYC re-verification exercise. However, to meet the requirements of DoT and to carry out this exercise in a more effective manner, we would like to submit the following points, which were also raised during the meeting:

    a. **Presence of e-KYC facility at PoS**: Post issuance of Aadhaar based e-KYC guidelines in August 2016, TSPs have started expanding their coverage of places where e-KYC facility is available, however, none of the TSPs have a Pan-India presence as of now. We request that adequate time will be required by the TSPs for expanding coverage Pan India, even if it is done on a shared basis.

COAI

b. **Outstation Subscribers through Aadhaar based e-KYC:** Presently, Aadhaar based e-KYC verification is not allowed for outstation subscribers (which is a significant portion of subscriber base). In our various submissions earlier, we have stated that there seems to be no valid reason to restrict the Aadhaar based e-KYC process for issuance of SIM card for mobile connection to the home state where the subscriber is registered and disallow its usage in any location outside the home state. More so when the Aadhaar based e-KYC is a safe and secure way of verifying a customer irrespective of his home location. Hence, Aadhaar based e-KYC process for issuance of SIMs for obtaining mobile connections to outstation subscribers as well should be allowed.

c. **Aadhaar based e-KYC not feasible in case of Foreign Nationals and company owned connections:** We submit that the Aadhaar based e-KYC verification cannot be made applicable for foreign nationals and corporate bulk connections. Hence, they need to be exempted from the list.

d. **Low penetration of Aadhaar in J&K, Assam, Bihar and North-East:** The proposed DoT process may not be as effective as desired in service areas like J&K, Assam and North-east due to low penetration of Aadhaar card in these areas. Aadhaar penetration is as low as 6% in the state of Assam. In such a situation, e-KYC should not be mandated for such states till the time there is significant Aadhaar penetration.

e. **Re-verification to be applicable only for pre-paid subscribers:** In case of post-paid subscribers, physical verification of address is mandatorily done by the TSPs at the time of activation of the SIM and majority of their payments are made by banking transactions, which itself provides to be a robust verification method. Hence, the requirement of re-verification should be applicable only for pre-paid subscribers and not for post-paid subscribers.

Similarly, SIMs which are being used in non-voice devices or dedicated solutions such as 2G/3G/4G Datacards, Wi-fi devices, e-readers, iPads, GPS, security systems, PoS machines, etc., should be exempted from this re-verification exercise since contacting and coordinating with these subscribers would be impossible because these devices neither support the voice calling feature nor do they support SMS facility.

f. **No Penalty on Mismatch between old CAFs and Aadhaar based e-KYC:** In this re-verification process, there may be cases of mismatch in the subscriber's information stored with the TSP and the data stored at UIDAI's server. It was agreed by DoT during the meeting that since Aadhaar based re-verification will lead to effective verification of the subscriber, there will be no disconnection in such cases and also no penalty will be levied on mismatches, if any. Also e-KYC verified subscribers should not be made a part of monthly TERM sample and audit exercise.

g. **Requirement of hard copies CAFs to be done away with:** It is submitted that once the subscriber is verified through Aadhaar based e-KYC, the hard copy requirement of CAFs and attached PoI/ PoA should be done away with as a more robust verification process has been conducted for the subscriber and all his demographic details are fetched from the UIDAI server and is not dependent on any document provided by the subscriber. This should be a completely paperless approach. This was agreed by DoT during the meeting.

h. **No re-verification to be mandated at the time of recharge**: During the re-verification exercise, subscriber inconvenience should be avoided. It is therefore submitted that re-verification through Aadhaar based e-KYC should not be mandated at the time of recharge. As of now, all the PoS outlets do not have e-KYC facility and even the subscriber may not be having their Aadhaar number readily available with them. In such situation, the subscriber should not be inconvenienced, however, they should be allowed to go ahead with the recharge and there should not be any disconnection or suspension of service for such subscribers.

i. **No disconnection of subscribers in case of no Aadhaar**: In case a subscriber does not have an Aadhaar Number, they may be advised to get their Aadhaar card made and post that they may get themselves re-verified, however, there should not be any requirement for disconnection or suspension of service for such subscribers.

j. **All telecom facilities to be paperless for e-KYC verified subscribers**: If a subscriber is once verified through e-KYC, then all other facilities availed by the subscriber like MNP, SIM exchange, etc. should also be made paperless and OTP based.

k. **Verification by Activation Office (Employee Verification) to be done away with**: It is submitted that since Aadhaar based e-KYC is a very robust system of verification and the demographic details of the subscriber are verified through a Government database, the additional step of verification by Activation Officer (who is an employee of the TSP) should be done away with.

l. **Process for re-verification**: The following processes may be adopted for re-verification exercise –

   i. **e-KYC based verification through OTP:** We suggest that the subscribers who have registered their mobile number with the UIDAI, which is stored in the UIDAI database can be verified through OTP based e-KYC.

   ii. **Biometric based e-KYC verification:** This shall be applicable to subscribers who cannot be re-verified through OTP, need to physically visit a SIM sale outlet and get re-verified through biometric based e-KYC process.

   iii. **Authentication based re-verification**: Further customers should also be provided an authentication based facility to re-verify the base. Any customer having Aadhaar number can send an SMS to the operator with name as in UIDAI data base (Aadhaar card), Date of birth in Aadhaar, and Aadhaar number through his mobile number to a short code of operator. This information can be authenticated through UIDAI via authentication API, and if the information matches with original customer data with operators the transaction ID along with Aadhaar information (three field- name, DoB, Aadhaar No) can be stored along with the existing customer data of operator. This process is fool proof and large pool of customers can be re-verified through this method.

COAI

m. **No requirement of multiple CAF's or verification for additional connections:** There should be no requirement of fresh/multiple CAF's from customers who are already verified and are existing customers. The OTP based method should be considered adequate for additional connections and also additional services such as DTH connections, etc.

5. We submit that the above mentioned issues need to be considered by DoT at the earliest for an effective re-verification exercise to be conducted by the industry. We would also request DoT to kindly involve the industry is the formation of a process for this re-verification exercise.

6. **Building and growing the device Eco System:** As discussed during the meeting with DoT, TSPs are in process of exploring the option of cost sharing model for devices at PoS outlets. Separate commercial discussions would take place amongst the TSPs for this issue.

7. We submit that the industry has carried out the re-verification of the existing subscribers in the past as well, based on directions from DoT. However, we believe that this Aadhaar based e-KYC re-verification exercise will be a robust one as the demographic details of the subscriber are verified through a Government database. The re-verification activity entails a huge cost which is borne by the TSPs. In this case, the activity needs to be carried out for approx. 1000 million subscribers which is a huge number and involves humongous resources and efforts. The approx. cost of carrying out this activity is about 2500 crores. It is thus submitted that once e-KYC based activation facility reaches to an acceptable levels, new customer activation should only be allowed through e-KYC except in case of foreign nationals and company owned connections. This step has to be a mandatory precursor for re-verification through Aadhar based e-KYC so as to avoid any further re-verification exercises in future, as otherwise these non e-KYC subscribers would continue to be added to the system.

8. We once again submit that the industry is committed to putting their best possible efforts in this exercise and the same may be reviewed after a period of nine months to check the progress.

We hope our inputs will merit your kind consideration.

Kind regards,

Rajan S. Mathews
Director General

CC   : Shri P.K. Mittal, Sr. DDG – AS, DoT
        : Shri Ram Narain, Sr. DDG – TERM, DoT

PB/VIL/102

15th February 2017

Shri J.S. Deepak, IAS
Telecom Secretary,
Department of Telecommunications
20, Ashoka Road
Sanchar Bhawan
New Delhi-110001

Subject: 100% e-KYC based verification of mobile subscribers

Dear Sir,

1. This refers to the industry meeting held meeting held in DoT on 13 February 2017.

2. We respectfully submit that the existing verification process prescribed by DoT is being diligently followed and has resulted in substantially improved subscriber verification percentages in the regular audits carried out by DoT/TERM and our average compliance level is now being maintained at ~96-97%.

3. It is also our view that the introduction of Aadhaar Card and e-KYC processes as an option since 16th August 2016 will help in further improving the effectiveness of the subscriber verification processes making them more robust, effective and efficient.

4. In fact, we have already initiated several steps in order to implement the systems for verification using e-KYC process and/ or Aadhaar based authentication. As on date, we have **1.5 lacs** outlets already having biometrics devices to facilitate E-KYC / Aadhaar based authentication. Further, given the stock availability being limited at this stage and the rollout challenges, we expect to be able to rollout around 6.4 lacs total outlets by September 2017.

5. **However, for a substantive PAN India coverage, there is a requirement of having the biometric devices in around 1.8 Million such outlets, which, it may be appreciated**, will take some time, given aspects related to arranging for stock and subsequent rollout.

6. In our short experience in E-KYC, we have activated 1.5 crores new subscribers. As of now such activation constitute about **50%** of the total activations for the month of January 2017. The objective of verification of a customer only through Aadhaar is a laudable proposition and we are fully committed to it, however, for it to fulfill the present objective, the following issues have to be immediately resolved:-
   a. Subscriber with **an out-station Aadhaar** should be allowed to be activated through E-KYC
   b. **New customer activation should be mandated to be only** allowed through e-KYC except in case of foreign nationals and company owned connections. **This step has to be a mandatory pre-cursor** for any base re-verification through Aadhaar as otherwise, we will continue to chase a never ending target, since new activation will keep on adding into the base for non e-KYC subscribers. At the same time to reach to this stage, sufficient rollout of biometrics devices to

facilitate E-KYC which will be pre-requisite which will take some time, considering magnitude involved.

c. **Many citizens of this country still do not have Aadhaar card** and some states like Assam, North East & J&K have practically very low base. **Under these circumstances, it is imperative that all citizens should be provided Aadhaar, as a precondition to mandating e-KYC.**

7. **We submit that once the above issues are addressed by the Government, then e-KYC of new and thereafter existing subscribers can be initiated easily. As mentioned above, this will also require substantive rollout of the E-KYC devices across Pan-India to facilitate any such mechanism without causing any disturbance dissatisfaction to the customers.**

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   a. In case of **post-paid customers since they are physically verified** and majority of the payments are made by banking transactions, the **requirement of re-verification should not be applied to such subscribers.**
   b. As agreed in the meeting of 13 February 2017, in-case of any mismatch on re-verification, the **TSPs will not be held responsible and will not be penalized.**

   c. Further, since such re-verification will lead to effective identity as well as address verification, the particulars of Aadhaar will be applicable and hence **no disconnection** will be required in case of any different information in the CIF.

9. As discussed in the meeting of 13 February, 2017, it is desirable that customer inconvenience be avoided as far as possible. **It is therefore submitted that a customer should be able to re-verify through any of the four options mentioned below without adopting any coercive approach of not been allowed to re-charge.** It is also important that sufficient infrastructure availability is ensured and time is given to the customer to migrate to E-KYC. **Any coercive measures, like suspension of recharge till re-verification, etc., may not be legally tenable permissible till Aadhaar is not mandated.**

10. Once the above issues as highlighted above are addressed /resolved, the base re-verification through Aadhaar can be tackled through a four pronged approach:-
    a. OTP E-KYC based verification – the subscribers who have registered their mobile no. in the UIDAI data base can BE REVERIFIED through IVR/ SMS, OTP based E-KYC.
    b. OTP Aadhaar authentication based re-verification – a CUSTOMER through Aadhaar authentication process with matching details of existing operator data can be termed as re-verified. The transaction ID, Aadhaar No., DOB and name can be additionally stored post authentication in the E-CAF and old physical CAF can be destroyed. Customers should be provided an authentication based facility to re-verify their identity. Any customer having Aadhaar number can send an SMS to the operator with name as in UIDAI data base (Aadhaar card), Date of birth in Aadhaar, and Aadhaar number through his mobile number to a short code of operator. This information can be authenticated through UIDAI via authentication API, and if the information matches with original customer data with operators the transaction ID along with Aadhaar information (three field-name, Dob, Aadhaar No) can be stored along with the existing customer data of operator. This process is fool proof and large pool of customers can be re-verified through this method.
    c. Biometric base E-KYC verification - for customers who cannot be re-verified through process A or B will have to physically visit an outlet and get re-verified through biometric e-KYC process.

d. Re-verification of Subscribers not having Aadhaar – for such subscribers Government should issue Aadhaar cards mandatorily. In this situation also a customer cannot be forced to be disconnected in absence of Aadhaar not being provided.
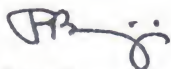
11. We respectfully submit that as an industry re-verification exercise was done in past also. However, since **such exercises are time consuming and carry a huge cost** (estimated cost per subscriber is about Rs.25/-), **it will be only meaningful if it is done in a planned and structured manner considering all aspects as mentioned above**. We shall be happy to discuss with you these issues in details to reach to a meaningful and realistic objective.

12. We submit that considering the initiatives taken by us so far, but at the same time, keeping in mind the issues and challenges highlighted above, we should, **at present, proceed on a best effort basis with no timelines being prescribed at this stage and the progress be reviewed after 9-12 months to determine the next steps in this regard.**

In the meantime, we request the Government to urgently address the issues highlighted by us in Para 6 above as this will pave the way to making E-KYC authentication mandatory for both new as well as existing subscribers.

Needless to mention, it will continue to be our on-going endeavour to do to the best possible extent in the given circumstances and we shall put in our best efforts in this respect.

Warm Regards
For **Vodafone India Limited**

P Balaji
Director- Regulatory, External Affairs and CSR

CC   : Shri P K Mittal, Sr. DDG – AS, DoT
         Shri Ram Narain, Sr. DDG – TERM, DoT

PB/VIL/102

15th February 2017

Shri J.S. Deepak, IAS
Telecom Secretary,
Department of Telecommunications
20, Ashoka Road
Sanchar Bhawan
New Delhi-110001

Subject: 100% e-KYC based verification of mobile subscribers

Dear Sir,

1. This refers to the industry meeting held meeting held in DoT on 13 February 2017.

2. We respectfully submit that the existing verification process prescribed by DoT is being diligently followed and has resulted in substantially improved subscriber verification percentages in the regular audits carried out by DoT/TERM and our average compliance level is now being maintained at ~96-97%.

3. It is also our view that the introduction of Aadhaar Card and e-KYC processes as an option since 16th August 2016 will help in further improving the effectiveness of the subscriber verification processes making them more robust, effective and efficient.

4. In fact, we have already initiated several steps in order to implement the systems for verification using e-KYC process and/ or Aadhaar based authentication. As on date, we have **1.5 lacs** outlets already having biometrics devices to facilitate E-KYC / Aadhaar based authentication. Further, given the stock availability being limited at this stage and the rollout challenges, we expect to be able to rollout around 6.4 lacs total outlets by September 2017.

5. **However, for a substantive PAN India coverage, there is a requirement of having the biometric devices in around 1.8 Million such outlets, which, it may be appreciated**, will take some time, given aspects related to arranging for stock and subsequent rollout.

6. In our short experience in E-KYC, we have activated 1.5 crores new subscribers. As of now such activation constitute about **50%** of the total activations for the month of January 2017. The objective of verification of a customer only through Aadhaar is a laudable proposition and we are fully committed to it, however, for it to fulfill the present objective, the following issues have to be immediately resolved:-
   a. Subscriber with **an out-station Aadhaar** should be allowed to be activated through E-KYC
   b. **New customer activation should be mandated to be only** allowed through e-KYC except in case of foreign nationals and company owned connections. **This step has to be a mandatory pre-cursor** for any base re-verification through Aadhaar as otherwise, we will continue to chase a never ending target, since new activation will keep on adding into the base for non e-KYC subscribers. At the same time to reach to this stage, sufficient rollout of biometrics devices to

facilitate E-KYC which will be pre-requisite which will take some time, considering magnitude involved.

c. **Many citizens of this country still do not have Aadhaar card** and some states like Assam, North East & J&K have practically very low base. **Under these circumstances, it is imperative that all citizens should be provided Aadhaar, as a precondition to mandating e-KYC.**

7. **We submit that once the above issues are addressed by the Government, then e-KYC of new and thereafter existing subscribers can be initiated easily. As mentioned above, this will also require substantive rollout of the E-KYC devices across Pan-India to facilitate any such mechanism without causing any disturbance dissatisfaction to the customers.**

8. **In respect of re-verification of existing subscribers, we submit the following:-**
   a. In case of **post-paid customers since they are physically verified** and majority of the payments are made by banking transactions, the **requirement of re-verification should not be applied to such subscribers.**
   b. As agreed in the meeting of 13 February 2017, in-case of any mismatch on re-verification, the **TSPs will not be held responsible and will not be penalized.**

   c. Further, since such re-verification will lead to effective identity as well as address verification, the particulars of Aadhaar will be applicable and hence **no disconnection** will be required in case of any different information in the CIF.

9. As discussed in the meeting of 13 February, 2017, it is desirable that customer inconvenience be avoided as far as possible. **It is therefore submitted that a customer should be able to re-verify through any of the four options mentioned below without adopting any coercive approach of not been allowed to re-charge.** It is also important that sufficient infrastructure availability is ensured and time is given to the customer to migrate to E-KYC. **Any coercive measures, like suspension of recharge till re-verification, etc., may not be legally tenable permissible till Aadhaar is not mandated.**

10. Once the above issues as highlighted above are addressed /resolved, the base re-verification through Aadhaar can be tackled through a four pronged approach:-
    a. OTP E-KYC based verification – the subscribers who have registered their mobile no. in the UIDAI data base can BE REVERIFIED through IVR/ SMS, OTP based E-KYC.
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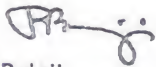
d. Re-verification of Subscribers not having Aadhaar – for such subscribers Government should issue Aadhaar cards mandatorily. In this situation also a customer cannot be forced to be disconnected in absence of Aadhaar not being provided.

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12. We submit that considering the initiatives taken by us so far, but at the same time, keeping in mind the issues and challenges highlighted above, we should, **at present, proceed on a best effort basis with no timelines being prescribed at this stage and the progress be reviewed after 9-12 months to determine the next steps in this regard.**

In the meantime, we request the Government to urgently address the issues highlighted by us in Para 6 above as this will pave the way to making E-KYC authentication mandatory for both new as well as existing subscribers.

Needless to mention, it will continue to be our on-going endeavour to do to the best possible extent in the given circumstances and we shall put in our best efforts in this respect.

Warm Regards
For **Vodafone India Limited**

P Balaji
Director- Regulatory, External Affairs and CSR

CC   Shri P K Mittal, Sr. DDG – AS. DoT
      Shri Ram Narain, Sr DDG – TERM, DoT

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Cell)
12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-26/2016-AS.II   Dated:17.02.2017

Office Memorandum

Subject: Record Note of Discussions of the Meeting on 13.02.2017 regarding 100%
E-KYC based re-verification of existing subscribers

Please find enclosed herewith a copy of the Record Note of discussions of the meeting held on 13.02.2017 regarding 100% E-KYC based re-verification of existing subscribers.

This is issued with the approval of Secretary (Telecom).

Encl.: A/a.

(Prashant Verma) 17/02/17
ADG (AS-II)
Tele No.: 011-23354052/23036580

To.

1. Member, TRAI, New Delhi.
2. DG, UIDAI, New Delhi.
3. Shri Anurag Jain, Joint Secretary, PMO, South Block, New Delhi.
4. CEOs of all Telecom Service Providers.
5. COAI/AUSPI.

Record Note of Discussions of the Meeting held with Telecom Service Providers on 13.02.2017 regarding 100% E-KYC based re-verification of existing subscribers

In reference to Hon'ble Supreme Court order dated 06.02.2017 passed in Writ Petition (C) No. 607/2016 filed by Lokniti Foundation v/s UoI regarding 100% E-KYC based verification of existing mobile subscribers, a meeting was held on 13.02.2017 at 11:00AM under the Chairmanship of Secretary (T) in Committee Room, 2nd Floor, Sanchar Bhawan, with all Telecom Service Providers (TSPs), UIDAI, PMO and TRAI to discuss the way forward in implementing the orders of Hon'ble Supreme Court. The list of participants is attached as Annexure-1.

2.   Secretary (T) welcomed all the participants and briefed about the orders of Hon'ble Supreme Court. He mentioned that while commenting on Aadhaar E-KYC process launched by Department of Telecom, Hon'ble Supreme Court has observed and ordered that "*an effective process has been evolved to ensure identity verification, as well as, the addresses of all mobile phone subscribers for new subscribers. In the near future, and more particularly, within one year from today, a similar verification will be completed, in case of existing subscribers.*" Thus, we have to complete 100% E-KYC based verification of existing subscribers within 1 year for complying with the above orders.

3.   Secretary (T) further mentioned that although E-KYC process is not mandatory at present but there is large shift of customers on E-KYC process and by some TSPs upto 95% of new connections are being issued though E-KYC which is very encouraging. Regarding permitting the E-KYC process for outstation customers, he informed the industry that the case has already been taken up with MHA. He indicated that re-verification of existing subscribers through E-KYC process has several advantages like existing physical CAFs can be weeded out which will reduce the cost of storage of CAFs, etc. He further assured the industry that being re-verification exercise any change in subscriber details viz name, address, etc., due to this activity will not attract penalty and suitable instructions will be issued to TERM Cells in this regard.

4.   Secretary (T) further emphasized that the time frame of 1 year as mandated by Hon'ble Supreme Court has to be strictly followed and asked suggestions from all TSPs in this regard.

5.   DG, UIDAI informed the participants about the statistics of Aadhaar enrollment/authentication. He mentioned that approximately 111 crores of Aadhaar have been issued and 6 lakhs enrolment are being done per day. He further informed that 2 lakhs CSC centre are working at present and nearly 2 Crores is the daily authentication rate for transaction. He also intimated that TSPs already have Aadhaar authentication infrastructure with them and may become largest users of Aadhaar authentication facility.

6.   JS, PMO suggested a way for seeding the Aadhaar number through mobile number. The mobile number registered with UIDAI can be used to seed the Aadhaar number into the TSP's database through the mechanism of OTP.

7.   The representative from M/s Airtel submitted on behalf of industry that at present they have approx. 3 lakhs E-KYC machines available which may reach approx 6 lakhs machine by March, 2017. They also submitted that in states of Assam & J&K, the penetration of Aadhaar is low and mandating E-KYC may deprive the citizens not having the Aadhaar from telecom facilities. They further suggested that

a) At first Aadhaar E-KYC process should be mandated for new connection thereby preventing inflow of new connections which have not been activated based on E-KYC.
b) In addition to this, they further suggested that additional mobile connections, to a subscriber who has already gone through E-KYC process, can be issued by verification through OTP.
c) M/s Airtel also demanded that there should not be any requirement of re-verification of the subscribers on account of pre-paid to post-paid conversion & vice-versa.
d) Reduction of minimum age limit for having mobile connections from 18 years to 14 years.

8.　M/s Idea intimated that Aadhaar seeding in some states is very low citing the example of Bihar having less than 76% enrollment. However, DG UIDAI clarified that in Bihar also almost 99% of adults have been covered. M/s Idea submitted that they have 1.8 Millions outlets for recharge and all recharge outlets of Idea does not have activation facility. Further, every month about 20 % of their subscribers do not visit their recharge outlets and prefer online recharge. They also raised issues about huge cost involved in logistics required for this exercise.

9.　M/s Vodafone re-iterated the same issues as raised by the M/s Airtel and Idea. They submitted that as per their understanding of the orders of Hon'ble Supreme Court postpaid connections need not be re-verified through E-KYC as their physical verification has already been done by TSPs. In addition to this, they supported the OTP mechanism and requested to open the E-KYC process for outstation customers as this will facilitate this verification exercise.

10.　JS. PMO after hearing suggestions from TSPs suggested that TSPs create website for verification and subscriber will feed its data into the database of TSPs after authentication through OTP mechanism. The data fed by subscriber would be cross checked by TSPs into its database. He also suggested that a message for re-verification will be sent to subscriber once recharge has been done by the subscriber and TSPs will stop services of subscribers if the subscriber does not come for verification after a particular period of time. He further quoted the example of RBI in this regard.

11.　M/s Aircel suggested opening of the eco-system of devices so that a single device can be used by all TSPs which will help them to migration to E-KYC. They also suggested that if a subscriber is activated through E-KYC process, then for MNP there is no need to do E-KYC process again for same subscriber, his/her number may be ported through OTP on number registered with Aadhaar.

12.　M/s BSNL/MTNL also suggested for opening of device eco-system.

13.　After detailed discussions and deliberations, Secretary (T) observed that the issues related to opening of device eco-system may be settled at TSPs level through mutual agreement between them. Further, the orders of Hon'ble Supreme Court have to be implemented within the time frame of one year as mandated by Hon'ble Court and necessary support in this regard will be provided by DoT. Industry was also requested to submit suggestions by 12:00 Noon of 14.02.2017.

14.　Meeting ended with the vote of thanks to the Chair.

******

No: 800-26/2016-AS.II
Department of Telecommunications
(Access Services Wing)
Sanchar Bhawan, 20, Ashoka Road, New Delhi.

Dated: 08.02.2017

MEETING NOTICE

Subject: 100% e-KYC based verification of mobile subscribers
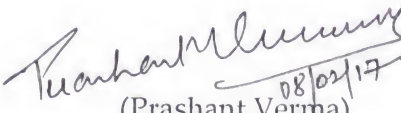
This has the reference to the order dated 06.02.2017 by Hon'ble Supreme Court of India (copy enclosed) in the W.P. (C) 607/2016 filed by Lokniti Foundation V/s UoI, for 100% e-KYC based verification of mobile subscribers.

2.   The undersigned has been directed to convey that it is proposed to hold a meeting under the chairmanship of Secretary(Telecom), DoT to discuss the way forward in implementing the orders of Hon'ble Court. The venue & date/ time are as below:

> **Venue:**   Committee room, 2nd Floor, Sanchar Bhawan
> **Date & time:**   13.02.2017, 11:00 AM

3.   It is requested to kindly make it convenient to attend the meeting. A line of confirmation is also requested.

Encl.: As above

(Prashant Verma)
ADG (AS-II)
Tele No.: 011-23036580
M. No.: 9013136582

To
   1. Member, TRAI, New Delhi
   2. DG, UIDAI, New Delhi
   3. CEOs of all Telecom Access Service Providers

Copy to:

   1. Sr PPS to Secretary(T), DoT
   2. Sr PPS to Member(T), DoT
   3. COAI/ AUSPI
   4. Reception officer, Sanchar Bhawan
   5. Section Officer (G-II), Sanchar Bhawan

F.No. _2158/16_

13/c

236/CR/2017
1/2/2017

Government of India
Ministry of Law & Justice
Department of Legal Affairs
CENTRAL AGENCY SECTION

Lawyers' Chambers,
Supreme Court Compound,
New Delhi-110001
Dated: _31.1.17_

To   SH. Pradeep Kr. (Director)
M/o Communication
D/o Telecommunication
(Access Services Cell)
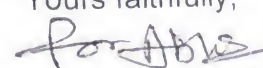12th Floor, Sanchar Bhawan 20 Ashoka Road New Delhi

Ref.: _Short C/A in WPC 607/2016_

Sir,

　　　With reference to the above subject I am enclosing herewith a copy of the Draft Counter Rejoinder/I.A. Affidavit duly drafted by Shri _Vijay Prakash_ a Panel Counsel for your perusal. If there is any Annexure, the Legible Copy of the same may be enclosed with the said Counter/Rejoinder Affidavit. The draft Counter Affidavit may also please be returned along with the Vakalatnama.

2.　　As the matter is likely to be heard by the Hon'ble Supreme Court at any time, it is requested that the matter may be treated as **Most Urgent**.

Yours faithfully,

(G.S. Makkar)
Dy Govt. Advocate
Central Agency Section
Tel.:_____

Encl.: As above.

Vijay Prakash
Advocate
Supreme Court of India

A-6, Neeti Bagh, Khelgaon Marg
New Delhi-110049 (India)
Tel : 26513452, 26514450
Fax : 91-11-26514450
Cell : 9811092103
E-mail: vijayprakash6@yahoo.co.in

Dated: 30.01.2017

2158/16

To

Mr.G.S Makker ,
Govt Advocate CAS
Supreme Court Compound,
NEW DELHI-

Sub.: W.P (C) No.607/2016.
Lokniti Foundation
VERSUS
Union of India & Anr.
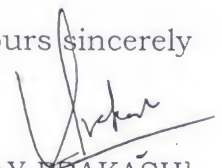
Ref: Brief No.50 /2017

File No.2158 of 2016

Sir,

As per your instructions I have prepared the short Counter Affidavit in the aforesaid Writ Petition (matter is listed on 06/02/17) . This is for your information and necessary action.

Thanking you,

Yours sincerely

[VIJAY PRAKASH]
Advocate

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION
WRIT PETITION (C) NO. 607 OF 2016

IN THE MATTER OF:

Lokniti Foundation   ....Petitioner

Vs.

Union of India &Anr.   ...Respondents

SHORT COUNTER AFFIDAVIT ON BEHALF OF RESPONDENT
NO. 1

I, , aged   years, S/o ,working as, do hereby solemnly

affirm and declare as under:

1.   That the present Writ Petition has been filed by the

Petitioner, wherein the Union of India has been

impleaded as Respondent No. 1. The deponent is

working as   and is filing the present

Affidavit in aforesaid capacity. The Deponent being well

conversant with the facts and circumstances of the case

on basis of official records of the case is therefore

competent to swear the present short counter affidavit

on behalf of the Respondent No. 1.

2.   That the deponent has gone through the contents of Writ

Petition and the annexures filed with the petition and

have understood the contents thereof. The Deponent has

also perused the records pertaining to the present case,

and therefore filing present Short Counter Affidavit on

the basis of records of the case. The present Short Counter Affidavit has been filed in compliance of the order of this Hon'ble Court dated 23.01.2017. However the deponent craves indulgence of this Hon'ble Court for liberty to file detailed Counter Affidavit to the Writ Petition as and when the occasion arises.

Preliminary Submission:

3. That the Department of Telecommunications has mandated the Telecom Service Providers to ensure traceability of their subscribers to address security related issues. The provisions in the license, inter-alia, states as under:

   "The LICENSEE shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the licensor in this regard from time to time shall be scrupulously followed."

   Thus, GSM/CDMA mobile phone connections are to be provided only after registering customer.

4. That the instructions have also been issued by the Government to the Telecom Service Providers (TSPs) from time to time for verification of identity of prospective subscribers at the time of enrolling them for providing the service i.e. to obtain following documents:

i.   Duly filled Customer Acquisition Form/ Customer Application Form(CAF)/ Subscriber Acquisition Form (SAF)

ii.   Photo of the subscriber

iii. Proof of Identity (PoI)

iv.   Proof of Address (PoA)

FURTHER INSTRUCTIONS ON/AFTER VERIFICATION OF SUBSCRIBERS:

5.   That vide letter dated 22.11.2006 the Government instructed the TSPs to cross verify the information available with them by 31st March 2007 against each of the subscriber as per the instructions prevailing at that point of time. It was also mentioned that after 31st March 2007, if any mobile connection is found working without proper verification, a minimum penalty of Rs 1000 per connection shall be levied on the licensee apart from immediate disconnection of the subscriber number by the licensee.

6.   That the penalty of Rs 1000/ - per connection was revised vide DoT letter No 80052/2008- VAS-III (Part) dated 24.12.2008 and a system of graded penalty was introduced w.e.f. 01.04.2009. At present, the penalty ranges from Rs. 1000/- to Rs. 50,000 per connection depending on the compliance percentage.

7. That in September 2009, another opportunity was given to the TSPs w.e.f from 01.11.2009 till 31.03.2011 to re-verify their existing customers so as to weed out the connection working without proper verification thus improving the security environment.

8. That in the year 2010, a Public Interest Litigation bearing Writ Petition No. 285/2010 was filed before this Hon'ble Court highlighting the issues of nonobservance of norms/regulations/guidelines related to proper and effective subscriber verification by various service providers. The Petitioner therein alleged that SIM cards were provided without any proper verification, which caused serious security threat as well as encouraged malpractices in the telecom sector. In that backdrop, it was prayed that there should be strict implementation of subscriber verification guidelines, physical verification be compulsory in future and physical re-verification of existing subscriber base be conducted in a transparent manner.

9. That in compliance to the directions of this Hon'ble Court in PIL,Writ Petition No. 285/2010, the Department prepared detailed instructions containing some new provisions to ensure better traceability and the same were filed before this Hon'ble Court. This Hon'ble Court directed to constitute a Joint Expert Committee under

the chairmanship of Secretary (T) with representation from TRAI & DoT to examine these instructions and issue the instructions. After examination by the Joint Expert Committee instructions were issued on 09.08.2012and have come into force since 09.11.2012. This Hon'ble Court was apprised about issuance of these instructions and therefore the Writ Petiton No. 285/2010 has been disposed of vide order dated 08.11.2012. True Copy of File No. 800-09/20010-VAS dated 09.08.2012 is annexed herewith and marked as **Annexure R-1/1**.

PROCEDURE FOR CHECKING OF COMPLIANCE OF AFORESAID INSTRUCTIONS:

10. That for checking compliance to the instructions issued by DoT related to subscriber verification, monthly audit of the records available with TSPs i.e. Customer Acquisition Forms (CAFs) is being carried out by the Department on sample basis since April 2007 with a sample size of 0.1 % (0.2% quarterly for J&K, NE and Assam). The process of CAF verification is based on the random sampling as decided by DoT after taking inputs from National Sample Survey Organization (NSSO). Penalty is imposed for non-compliant cases found during these audits.

11. That besides regular audit other activities like examination of cases reported by security agencies, complaints from other sources, raids, surprise checks, etc. are also being undertaken. Penalty is also imposed for non-compliant cases found during these activities.

12. That till 31.07.2016, a total number of 9.07 Crore approximately cases have been audited in the Country,out of which approximately 42.67 lakh cases have been found to be noncompliant due to one of the following reasons:

   i. Missing CAFs (CAF not available or CAF not submitted in time).

   ii. Missing Photo on CAF.

   iii. Missing Proof of Identity/Proof of Address.

   iv. Subscriber's acquisition based on apparently forged/fake documents.

   v. Bulk Connections (more than 9 connections) issued to an individual by all operators in all Licensed Service Area.

   vi. Bulk Connection issued to a company or an organization or at any given address without following due procedure.

   vii. Discrepancies in entries in database.

   viii. Missing/improper/mismatch in mandatory entries on CAF like name of subscriber, father/husband

name, gender, date of birth, residential address as per proof of address document furnished by subscriber, pasting of photo, details of proof of address/identity documents (document no. date of issue of document etc.), customer signature, signature of point of sale, signature of employee of licensee.

13. That as evident there is a difference between "non-verification of subscriber" and "non-compliant case". While the "non-verification of subscriber" indicates that no verification activity was carried out at the time of enrolling the subscriber whereas; "non-compliant case" may be declared based on any of the grounds mentioned above which may include "non-verification" cases also. Out of more than 42 Lakh non-compliant cases, only 9 Lakh cases have come to notice wherein no records can be produced by the TSPs within the given time frame which again does not imply that the records were not available with the TSP at all.

14. That as per provisions contained in instructions dated 09.08.2012, if CAF is not supplied within prescribed period of time, connection is treated as pre-activated and highest penalty of Rs. 50,000 per mobile connection is imposed on such cases.

15. That to deal with the cases related to forgery of documents, provisions of police complaint/FIR against the subscriber/Point of Sale (PoS)/Franchisee/TSP, as the case may be, have been made apart from imposition of financial penalty if the forgery is not done by the subscriber itself.

16. That as a part of continuous improvement, the CAF audit compliance percentagehas been increased from 80.9% in the year 2007 to 96.56% till July, 2016.

17. That however, for attaining better compliance to verification norms, the department has launched' Aadhaar based E-KYC for issuing mobile connections' on 16th August, 2016 wherein the customer as well as Point of Sale (PoS) Agent of the TSP will be authenticated from UIDAI based on their biometrics and their demographic data received from UIDAI is stored in the database of TSP along with time stamps.True Copy of File No. 800-29/2010-VAS dated 16.08.2016 is annexed herewith and marked as **Annexure R-1/2**.

18. That in this process, there will be almost 'NIL' chances of delivery of SIM to wrong person and the traceability of customer shall greatly improve. Further, since no separate document for Proof of Address or Proof of Identity will be taken in this process, there will be no chances of forgery of documents.

19. That this process has been kept as an alternate process to the existing process so to avoid any public inconvenience on account of non-availability of Aadhaar number, the equipments required for the process or in case the person is not willing to go through the biometric authentication process. However, to encourage the public for using this mechanism, the process has been kept completely paperless (no document, no photo required) and the activation time for the mobile connections issued with this mechanism has been targeted to be within few minutes in comparison to 1-2 days being taken in normal process.

Deponent

VERIFICATION

I,   working as   do hereby verify that the facts stated above herein are true to my knowledge, information and belief derived from relevant files and records and nothing has been concealed.

Verified at New Delhi of this day of January 2017

Deponent

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Wing)
Sanchar Bhawan, 20, Ashoka Road, New Delhi.
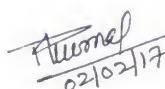
File No: 800-26/2016-AS.II

Dated: 02.02.2017

To

Shri G. S. Makker
Dy. Govt. Advocate
Central Agency Section
Ministry of Law and Justice
Department of legal Affairs
Supreme Court Compound, New Delhi

Subject: W.P. (C) 607/2016 filed by Lokniti Foundation V/s UoI-regarding.

With reference to the cited subject and your letter no 2158/16 dated 31.01.2017, please find attached herewith the duly signed affidavit on behalf of Union of India, Department of Telecommunications, Ministry of Communication, in the above civil appeals per the order dated 23.01.2017 of Hon'ble Supreme Court, for filing.

Encl.: As above.

02/02/17

(Pradeep Kumar)
Director (AS-II)
Tele No.: 011-23036869
M. No.: 9868136070

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 607/2016

LOKNITI FOUNDATION   Petitioner(s)

VERSUS

UNION OF INDIA AND ANR.   Respondent(s)

Date : 23/01/2017 This petition was called on for hearing today.

CORAM :
       HON'BLE THE CHIEF JUSTICE
       HON'BLE MR. JUSTICE N.V. RAMANA
       HON'BLE DR. JUSTICE D.Y. CHANDRACHUD

For Petitioner(s)   Dr. Ashok Dhamija,Adv.
                     For Dr. Kailash Chand,Adv.

For Respondent(s)   Ms. Sadhna Sandhu,Adv.
                     Mr. Vijay Prakash,Adv.
                     For Mr. G.S.Makker,Adv.

UPON hearing the counsel the Court made the following
O R D E R

Ms. Sadhna Sandhu, learned counsel appearing for the respondents seeks further adjournment, so as to enable her to obtain instructions in the matter. We find no justification in the prayer made on behalf of the respondents, to seek further instructions. We are rather satisfied in directing the respondents to file an affidavit, so as to put in place the process, by which hereinafter mobile subscribers will be subjected to such scrutiny, as would ensure their appropriate identification.

1

Needful be done within two weeks from today.

Post for hearing on 6th February, 2017.

(Anita Malhotra)   (Renuka Sadana)
Court Master   Assistant Registrar

9/6

CAS F.No.U-2158 /2016
Government of India
Ministry of Law & Justice
Department of Legal Affairs
[CENTRAL AGENCY SECTION]
Chamber No.75, Supreme Court Compound,
New Delhi-110001
Dated:- 24-01-2017

G.S. Makker,
Deputy Government Advocate,
Tele. No.23389869

To

Secretary,
Department of Telecom.,
MOC&IT,
Govt. of India,
Sanchar Bhavan,
Patel Chawk,
New Delhi-110001.

Subject:-   WP(C) No.607/ 2016-Lokniti Foundation Vs. UOI & Ors.
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Sir,

Please find enclosed herewith a copy of writ petition alongwith proceeding dated 23-01-2017 received from Mr.Vijay Prakash, Panel Counsel, which speaks of itself, in the matter aforesaid, for your information and further necessary action.

2.   In this regard, you are requested to kindly depute one conversant officer to contact this office alongwith relevant papers, Signed Vakalatnama, Brief History, detailed Parawise Comments and necessary instructions immediately.

Yours faithfully,

[G.S. Makker]

Encl: As above.

VIJAY PRAKASH
1539
ADVOCATE
A-6, NEETI BAGH,
NEW DELHI-110049
Mb. 98xxxxxxxx

RECORD PROCEEDING

To

Mr. G. S. MAKKER
Dy. Govt. Advocate
Central Agency Section,
Supreme Court of India,
New Delhi-110001

I.A. No. 607/2016

Date of Hearing : 23-01-2017
Docket No. : 529/2017
CAS Filed : 2158/2016
Court No : 1
Item No : 17
Sr. Adv : Sh. A.N.S NADKAR
Ministry : A.S.G
COMMUNICATION

LOKNITI FOUNDATION

... Petitioners

Versus

UNION OF INDIA & ORS.

... Respondents

URGENT ACTION   Sir, Madam

kindly file the
fidavit on
half of the
rpdt. No.1 (DOT)
thin 2 weeks
kindly do the
afful on
gent basis
the Hon'ble
urt would
pose of the
atter after
weeks.

The above mentioned matter was listed today and the
Hon'ble Court was pleased to pass the following order:

Affidavit to be filed by the respondent No.1 (Department
of Telecommunication) within 2 weeks stating what
steps they have taken or intend to take to ensure
100% Verification of the Subscriber of the mobile Phone.
List after 2 weeks. Briefed A.S.G
and appeared in the matter.

Thanking you.

(VIJAY PRAKASH)
Advocate

23/01/2017